

2022 Regular Session

HOUSE BILL NO. 796

BY REPRESENTATIVES WILLARD, ADAMS, BACALA, CARRIER, DAVIS, DUBUISSON, DUPLESSIS, FREEMAN, HILFERTY, HOLLIS, ILLG, JORDAN, KERNER, LYONS, MARCELLE, MCFARLAND, NELSON, NEWELL, PRESSLY, THOMAS, AND THOMPSON

FUNDS/FUNDING: Establishes the Small Business Innovation 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 Department of Economic
4 Development; to create the Small Business Innovation Fund; to provide for uses of
5 monies in the fund; to provide for the administration of grants; to provide for
6 eligibility of applicants; to provide for an effective date; and to provide for related
7 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:

1 eligibility, provide for an application process, and select eligible Louisiana business
2 applicants to receive monies from the fund.

3 F. Up to one hundred fifty thousand dollars shall be annually disbursed from
4 the fund as follows:

5 (1) Up to sixty thousand dollars shall be disbursed to selected applicants in
6 the form of grants for the purpose of assisting in the completion of Phase I SBIR or
7 STTR federal grant applications. Any grant received pursuant to this Paragraph shall
8 not exceed five thousand dollars per applicant.

9 (2) Up to sixty thousand dollars shall be disbursed to selected applicants in
10 the form of grants for the purpose of assisting in the completion of Phase II SBIR or
11 STTR federal grant applications. Any grant received pursuant to this Paragraph shall
12 not exceed ten thousand dollars per applicant.

13 (3) Up to thirty thousand dollars shall be appropriated to the LTTO for the
14 purpose of funding technical assistance, outreach programs, and program-related
15 promotions.

16 Section 2. The provisions of Section 1 of this Act shall become effective when an
17 Act of the Louisiana Legislature containing a specific appropriation of monies for the
18 implementation of the provisions of this Act becomes effective.

19 Section 3. The provisions of Sections 2 and 3 of this Act shall become effective
20 upon signature by the governor or, if not signed by the governor, upon expiration of the time
21 for bills to become law without signature by the governor, as provided by Article III, Section
22 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
23 by the legislature, the provisions of Sections 2 and 3 of this Act shall become effective on
24 the day following such approval.

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 796 Reengrossed

2022 Regular Session

Willard

Abstract: Creates the Small Business Innovation Fund for the purpose of providing financial assistance to certain businesses applying for certain federal grants.

Present law provides for the La. Economic Development Corporation (corporation) within the Department 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 fund. Further provides that monies in the fund shall be used by the department to provide financial assistance to certain La. businesses applying for SBIR or STTR federal grants. Requires the corporation, working in conjunction with the La. State University A&M La. Technology Transfer Office, to administer awards to selected applicants. Further requires the La. Technology Transfer Office to establish criteria for grant eligibility, provide for an application process, and select eligible applicants to receive the grants.

Proposed law requires compliance with present constitution relative to the Bond Security and Redemption Fund prior to monies being deposited into the fund. Further requires monies in the fund to be invested in the same manner as monies in the general fund. Further provides that 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 up to \$150,000 shall be annually disbursed from the fund as follows:

- (1) Up to \$60,000 shall be disbursed to eligible applicants to assist in the completion of Phase 1 applications for SBIR or STTR federal grants. These grants shall not exceed \$5,000 per business.
- (2) Up to \$60,000 shall be disbursed to eligible applicants to assist in the completion of Phase 2 applications for SBIR or STTR federal grants. These grants shall not exceed \$10,000 dollars per business.
- (3) Up to \$30,000 shall be appropriated to the department for the purpose of technical assistance, outreach programs, and program-related promotions.

Effective upon appropriation of funds by the legislature.

(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 Corp. to the Dept. of Economic Development.
2. Add an eligibility requirement that the federal application provided for in present law is submitted or received after Jan. 1, 2023.
3. Move the duty of administering the fund from the La. Economic Development Corp. and the La. Technology Transfer Office to the Dept. of Economic Development.
4. Modify the disbursement amounts to allow for a lesser grant than the previously mandated disbursement amounts.
5. Provide that the disbursement of certain funds is to occur annually.
6. Allow the department to use certain monies for technical assistance.
7. Make technical changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Make effectiveness of proposed law subject to appropriation.
2. Remove provision requiring the La. Economic Development Corp. to administer the fund.
3. Add provision requiring La. Dept. of Economic Development to use the monies in the fund for awarding grants pursuant to proposed law and requiring the La. Economic Development Corp. to work with the LSU La. Technology Transfer Office to administer the awards to selected grant applicants.