

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 796** HLS 22RS 1040

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 2, 2022	3:49 PM	Author: WILLARD
Dept./Agy.: Department of Economic Development and LSU		Analyst: Monique Appeaning
Subject: Small Business Innovation Fund		

FUNDS/FUNDING EN INCREASE GF EX See Note
Establishes the Small Business Innovation Fund

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Proposed law creates the Small Business Innovation Fund to provide financial assistance to certain LA businesses applying for Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) federal research grants. Subject to appropriation, monies in the fund shall be used by the Department of Economic Development (LED) for awarding grants to selected applicants. Proposed law provides that the LA Economic Development Corporation in conjunction with LA State University A&M College (LSU) - LA Technology Transfer Office (LTTO) will administer awards to selected applicants in the form of grants. LTTO shall establish criteria for grant eligibility, provide for an application process, and select eligible LA business applicants to receive monies from the fund. Proposed law provides for up to \$150,000 be annually disbursed from the fund where up to \$60,000 shall be disbursed to selected applicants in the form of grants for the purpose of assisting in the completion of Phase I SBIR or STTR federal grant applications with no grant awarded exceeding \$5,000 per applicant, up to \$60,000 shall be disbursed to selected applicants in the form of grants for the purpose of assisting in the completion of Phase II SBIR or STTR federal grant applications with no grant award exceeding \$10,000 per applicant, and up to \$30,000 shall be appropriated to the LTTO for technical assistance, outreach programs, and program-related promotions.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will impact expenditures of LSU to administer the Small Business Innovation Fund and to provide for the disbursement of monies from the fund to selected applicants in the form of grants. LSU has indicated it would require additional staff support to implement the requirements of this bill. For purposes of this fiscal note, the Legislative Fiscal Office assumes that the source is SGF for out years beginning FY 24.

Proposed law will create a workload impact for the LED to administer the Small Business Innovation Fund and to provide for the disbursement of up to \$150,000 from the SBIR fund to selected applicants in the form of grants. The LA Department of Economic Development (LED) anticipates using existing departmental resources. LED anticipates using existing departmental resources to establish criteria for grant eligibility, provide for an application process, and select eligible LA business applicants to receive monies from the fund.

Proposed law creates within the state treasury a marginal workload increase for the Department of Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create additional workload, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 436 special funds. When unable to absorb additional workload with existing resources, the Treasury may need to add one T.O. position at a total personnel services cost of approximately \$73,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

REVENUE EXPLANATION

Proposed law creates the Small Business Innovation Fund but does not provide a recurring source of revenues. Monies deposited into the fund will be contingent upon transfers, donations, or appropriations into the fund by the legislature. While the bill provides for up to \$150,000 to be disbursed annually from the fund, it does not identify a recurring source of revenue for deposit into the fund after FY 23. For purposes of this fiscal note, the Legislative Fiscal Office assumes that the source is SGF for out years beginning FY 24.

NOTE: House Bill 406 authorizes and directs the state treasurer to transfer \$150,000 from the Louisiana Rescue Plan Fund into the Small Business Innovation Fund contingent upon the Act that originated as House Bill 796 of this 2022 Regular Session of the Legislature becomes law.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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