

RÉSUMÉ DIGEST

ACT 477 (HB 795)

2022 Regular Session

Pressly

Existing 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. Further requires the corporation to serve as the review board for certain financial assistance programs for La. small businesses. New law retains existing law.

Existing law requires the corporation to 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.

New law retains existing law and further requires the corporation to provide support to businesses that will apply for or have received federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grant funds.

New law creates the "Small Business Innovation Recruitment Fund" (fund) as a special fund in the state treasury. Requires monies in the fund to be used for providing economic development incentives to recruit out-of-state small businesses that have received SBIR or STTR federal grants to the state of La. Further defines "small business" and requires the business to meet certain federal industry size standards to qualify pursuant to new law.

New 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.

New law requires monies in the fund to be invested in the same manner as monies in the general fund. Requires interest earned on invested monies to be credited to the fund. Further requires unexpended and unencumbered monies in the fund at the end of the fiscal year to remain in the fund.

New law requires the department to administer the fund and provide for the disbursement of monies in the fund to eligible applicants in the form of grants. Requires the department to establish criteria for grant eligibility, provide for an application process, and select eligible applicants to receive the grants. Further requires for the selection of grant recipients to be based upon nominations of eligible small businesses recommended by the Regional Economic Alliance of La.

New law requires up to \$500,000 to be annually disbursed from the fund to selected eligible applicants. Requires any grant received by an applicant to be disbursed in 3 equal amounts over 3 consecutive years, not to exceed \$100,000 per applicant.

New law authorizes an additional payment from the fund to the department in fiscal year 2025-2026 of up to \$105,000 for administrative fees.

New law requires applicants to meet all of the following criteria for eligibility:

- (1) The applicant shall have received Phase II SBIR or STTR grant funding within the 2 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 and provide documentation proving such.

Within 6 months of grant approval, new law requires the applicant to provide documentation of its relocation to the state of La. Further provides that if an applicant fails to provide such information, the monies shall go to another eligible applicant.

Effective upon signature of governor (June 15, 2022).

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