

RÉSUMÉ DIGEST

ACT 476 (HB 786)

2022 Regular Session

Willard

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 receive federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grant funds for applications submitted or received after Jan. 1, 2023.

New law creates the "Small Business Innovation Retention Fund" (fund) as a special fund in the state treasury. Further requires monies in the fund to be used for providing financial assistance to certain La. businesses that have received SBIR or STTR federal grants.

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. Further requires the department to establish criteria for grant eligibility, provide for an application process, and select eligible applicants to receive the grants.

New law requires up to \$1,105,000 to be annually disbursed from the fund as follows:

- (1) Up to \$500,000 per year shall be allocated for Phase I SBIR or STTR recipients. Each selected applicant shall receive an amount equal to 25% of the applicant's Phase I SBIR or STTR grant. These grants shall not exceed \$50,000 per applicant.
- (2) Up to \$500,000 per year shall be allocated for Phase II SBIR or STTR recipients. Each selected applicant shall receive an amount equal to 20% of the applicant's Phase II SBIR or STTR grant. These grants shall not exceed \$100,000 per applicant.
- (3) Up to \$105,000 per year to the department for administrative expenses.

New law requires each grant to be disbursed in 2 equal amounts to the selected applicants over a period of 2 consecutive years.

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

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