

2022 Regular Session

HOUSE BILL NO. 795

BY REPRESENTATIVES PRESSLY, BACALA, BRYANT, BUTLER, WILFORD
CARTER, CORMIER, CREWS, DAVIS, DESHOTEL, DUBUISSON,
DUPLESSIS, FISHER, FREEMAN, GLOVER, GREEN, HILFERTY, HUGHES,
ILLG, JENKINS, TRAVIS JOHNSON, JORDAN, LAFLEUR, LARVADAIN,
LYONS, MARINO, MCFARLAND, NELSON, NEWELL, PIERRE, RISER,
SCHAMERHORN, SELDERS, STAGNI, THOMPSON, WHITE, AND WILLARD

FUNDS/FUNDING: Establishes the Small Business Innovation Recruitment 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 Recruitment Fund; to provide
5 for uses of monies in the fund; to provide for limitations on appropriations from the
6 fund; to provide for the administration of grants; to provide for eligibility of
7 applicants; and to provide for related 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 The department shall establish criteria for grant eligibility, provide for an application
2 process, and select eligible business applicants to receive monies from the fund,
3 based upon nominations of eligible small businesses recommended by the Regional
4 Economic Alliance of Louisiana, which represents sixty-four parishes of the state.

5 F.(1) Up to five hundred thousand dollars shall be annually disbursed from
6 the fund to eligible applicants in the form of grants. Any grant received pursuant to
7 this Section shall not exceed one hundred thousand dollars per applicant. The grant
8 awards provided pursuant to this Section shall be divided into three equal amounts
9 and disbursed to the selected applicants over a period of three consecutive years.

10 (2) In fiscal year 2025-2026, in addition to any monies disbursed from the
11 fund pursuant to Paragraph (1) of this Subsection, an amount of up to one hundred
12 and five thousand dollars of fund monies shall be allocated to the department for
13 administrative costs.

14 G. An applicant that meets all of the following criteria shall be eligible for
15 a grant provided for in this Section:

16 (1) The applicant shall have received Phase II SBIR or STTR grant funding
17 within the two years immediately preceding submission of the application.

18 (2) The applicant shall have generated sales and revenue and shall provide
19 documentation proving such.

20 (3) The applicant shall have produced commercial products or conducted
21 commercial services and shall provide documentation proving such.

22 H. Within six months of approval by the department, an applicant selected
23 to receive grant monies shall provide documentation that the applicant business has
24 relocated to Louisiana. If the selected applicant fails to relocate or provide
25 documentation of such, the grant shall be forfeited, and the money shall be disbursed
26 to another applicant.

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

1 Section 3. The provisions of Sections 2 and 3 of this Act shall become effective
2 upon signature by the governor or, if not signed by the governor, upon expiration of the time
3 for bills to become law without signature by the governor, as provided by Article III, Section
4 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
5 by the legislature, the provisions of Sections 2 and 3 of this Act shall become effective on
6 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 795 Re-Reengrossed

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

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 SBIR 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.

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 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.

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

1. Make technical changes.
2. Provide for payment of administrative fees up to \$105,000 in fiscal year 2025-2026.
3. Add language that the Dept. of Economic Development shall use monies in the fund for awarding grants pursuant to proposed law.
4. Make effectiveness of proposed law subject to appropriation.

The House Floor Amendments to the reengrossed bill:

1. Make technical changes.