

1 HB541
2 211730-1
3 By Representative Poole
4 RFD: Boards, Agencies and Commissions
5 First Read: 11-MAR-21

SYNOPSIS: This bill would create the Innovate Alabama Matching Grant Program to provide matching grants to entities that have received federal Small Business Innovation Research or Small Business Technology Transfer Research grants, or both.

A BILL
TO BE ENTITLED
AN ACT

Relating to economic development; to add Article 21, commencing with Section 41-10-820, to Chapter 10, Title 41 of the Code of Alabama 1975, to create the Innovate Alabama Matching Grant Program; to provide matching grants to eligible businesses that have received federal Small Business Innovation Research or Small Business Technology Transfer Research grants, or both.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Article 21, commencing with Section
2 41-10-820, is added to Chapter 10, Title 41 of the Code of
3 Alabama 1975, as follows:

4 §41-10-820. Legislative findings.

5 The Legislature finds and declares all of the
6 following:

7 (1) The federal Small Business Innovation Research
8 and Small Business Technology Transfer Research programs
9 encourage innovative small businesses to engage in research
10 that has the potential for technological innovation and
11 commercialization.

12 (2) Stimulating research and commercialization will
13 grow the Alabama economy by leveraging investment, creating
14 exportable products and services, and creating and retaining
15 high wage jobs in both moderately and highly skilled
16 occupations.

17 (3) This state is not meeting its full potential in
18 terms of the number and amount of federal Small Business
19 Innovation Research and Small Business Technology Transfer
20 Research grants awarded.

21 (4) An inducement, in the form of a matching grants
22 program, is needed to encourage Alabama businesses to apply
23 for federal Small Business Innovation Research or Small
24 Business Technology Transfer Research grants, or both, and to
25 realize the economic benefits of commercialized research.

26 §41-10-821. Definitions.

1 For the purposes of this article, the following
2 terms shall have the following meanings:

3 (1) CORPORATION. The Alabama Innovation Corporation
4 created by Article 20, commencing with Section 41-10-800.

5 (2) FEDERAL AGENCY. An executive branch agency of
6 the United States government which participates in the Small
7 Business Innovation Research program, the Small Business
8 Technology Transfer Research program, or both.

9 (3) RESEARCH INSTITUTION. Shall have the meaning
10 given in 15 U.S.C. § 638(e) (8).

11 (4) SMALL BUSINESS INNOVATION RESEARCH. The grants
12 and programs defined in 15 U.S.C. § 638(e) (4).

13 (5) SMALL BUSINESS TECHNOLOGY TRANSFER RESEARCH. The
14 grants and programs defined in 15 U.S.C. § 638(e) (6).

15 §41-10-822. Innovate Alabama Matching Grant Program.

16 The corporation may make Small Business Innovation
17 Research and Small Business Technology Transfer Research
18 matching grants to entities as provided in this section.

19 (1) The corporation may establish priorities,
20 guidelines, standards, and processes by which the matching
21 grants contemplated in this article may be awarded.

22 (2) The corporation shall require interested
23 entities to complete applications on forms issued by the
24 corporation.

25 (3) If an entity is seeking a matching grant for a
26 Small Business Innovation Research grant, the application
27 shall demonstrate either of the following:

1 a. For a Phase I application, that the entity has
2 received a Small Business Innovation Research grant from a
3 federal agency in response to a specific federal solicitation.

4 b. For a Phase II application, that the entity has
5 submitted a final Phase I report to the federal agency;
6 submitted a Phase II proposal to the federal agency; and
7 demonstrated that the federal agency has interest in the Phase
8 II proposal, as shown in a letter of support from the federal
9 agency.

10 (4) If the entity is seeking a matching grant for a
11 federal Small Business Technology Transfer Research grant, the
12 application shall demonstrate that the entity satisfies both
13 of the following:

14 a. Has received a Small Business Technology Transfer
15 grant from a federal agency in response to a specific federal
16 solicitation.

17 b. Has entered into an agreement, as prescribed by
18 the federal Small Business Technology Transfer Research
19 program, with a research institution that is a public
20 university in this state or Tuskegee University.

21 (5) Applications shall be considered by the board of
22 the corporation. Upon the approval of the board, the
23 corporation may grant available funds to entities in amounts
24 not to exceed the lesser of either of the following:

25 a. Fifty percent of the relevant federal Small
26 Business Innovation Research or Small Business Technology
27 Transfer grant award to the entity.

1 b.1. For a matching grant awarded to match a federal
2 Phase I award, one hundred thousand dollars (\$100,000); or

3 2. For a matching grant awarded to match a federal
4 Phase II award, two hundred fifty thousand dollars (\$250,000).

5 (6) The amount and all terms and conditions of the
6 grant shall be memorialized in a grant agreement between the
7 corporation and the entity, which agreement shall include all
8 of the following terms and conditions:

9 a. The amount of the grant, or the formula under
10 which the amount is computed.

11 b. The specific use of grant monies paid by the
12 corporation, which use shall not be the recoupment of a
13 personal investment in the entity or the repayment of debt.

14 c. The condition that the entity shall have its
15 primary place of business in this state, the place of
16 residence of one of its top executives in this state, and the
17 place of residence of at least 75 percent of its employees for
18 a period of five years after the effective date of the grant
19 agreement in this state.

20 d. The condition that the federal Small Business
21 Innovation Research or Small Business Technology Transfer
22 grants shall be actually received by the entity within a
23 reasonable time set forth in the grant agreement.

24 e. The requirement that the default of the entity,
25 under any provision of the grant agreement, shall result in
26 the repayment of any monies paid to the entity by the

1 corporation, unless the entity should default because it
2 ceases to be a going concern prior.

3 §41-10-823. Rules.

4 The corporation may adopt rules as necessary to
5 implement and administer this article.

6 Section 2. This act shall become effective
7 immediately following its passage and approval by the
8 Governor, or its otherwise becoming law.