

1 HB609
2 213114-4
3 By Representatives Gray and Poole
4 RFD: Ways and Means Education
5 First Read: 08-APR-21

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2 ENROLLED, An Act,

3 Relating to economic development; to add Article
4 21, commencing with Section 41-10-820, to Chapter 10, Title 41
5 of the Code of Alabama 1975, to create the Innovate Alabama
6 Matching Grant Program; to provide matching grants to eligible
7 businesses that have received federal Small Business
8 Innovation Research or Small Business Technology Transfer
9 Research awards, or both.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Article 21, commencing with Section
12 41-10-820, is added to Chapter 10, Title 41 of the Code of
13 Alabama 1975, as follows:

14 §41-10-820. Legislative findings.

15 The Legislature finds and declares all of the
16 following:

17 (1) The federal Small Business Innovation Research
18 and Small Business Technology Transfer Research programs
19 encourage innovative small businesses to engage in research
20 that has the potential for technological innovation and
21 commercialization.

22 (2) Stimulating research and commercialization will
23 grow the Alabama economy by leveraging investment, creating
24 exportable products and services, and creating and retaining

1 high wage jobs in both moderately and highly skilled occupations.

2 (3) This state is not meeting its full potential in
3 terms of the number and amount of federal Small Business
4 Innovation Research and Small Business Technology Transfer
5 Research awards.

6 (4) An inducement, in the form of a matching grants
7 program, is needed to encourage Alabama businesses to apply
8 for federal Small Business Innovation Research or Small
9 Business Technology Transfer Research awards, or both, and to
10 realize the economic benefits of commercialized research.

11 §41-10-821. Definitions.

12 For the purposes of this article, the following
13 terms shall have the following meanings:

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

16 (2) FEDERAL AGENCY. An executive branch agency of
17 the United States government which participates in the Small
18 Business Innovation Research program, the Small Business
19 Technology Transfer Research program, or both.

20 (3) SMALL BUSINESS INNOVATION RESEARCH. The awards
21 and programs defined in 15 U.S.C. § 638(e) (4).

22 (4) SMALL BUSINESS TECHNOLOGY TRANSFER RESEARCH. The
23 awards and programs defined in 15 U.S.C. § 638(e) (6).

24 §41-10-822. Innovate Alabama Matching Grant Program.

1 The corporation may make Small Business Innovation
2 Research and Small Business Technology Transfer Research
3 matching grants to entities as provided in this section.

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

7 (2) The corporation shall require interested
8 entities to complete applications on forms issued by the
9 corporation.

10 (3) If an entity is seeking a matching grant for a
11 Small Business Innovation Research award, the application
12 shall demonstrate either of the following:

13 a. For a Phase I application, that the entity has
14 received a Phase I Small Business Innovation Research award
15 from a federal agency in response to a specific federal
16 solicitation.

17 b. For a Phase II application, that the entity has
18 received a Phase II Small Business Innovation Research award
19 from a federal agency in response to a specific federal
20 solicitation.

21 (4) If an entity is seeking a matching grant for a
22 Small Business Technology Transfer Research award, the
23 application shall demonstrate either of the following:

24 a. For a Phase I application, that the entity has
25 received a Phase I Small Business Technology Transfer Research

1 award from a federal agency in response to a specific federal
2 solicitation.

3 b. For a Phase II application, that the entity has
4 received a Phase II Small Business Technology Transfer
5 Research award from a federal agency in response to a specific
6 federal solicitation.

7 (5) Applications shall be considered by the board of
8 the corporation. For an entity seeking a matching grant under
9 subdivision (4), the corporation may give preference to
10 entities seeking matching grants which conduct funded research
11 in this state with HudsonAlpha Institute for Biotechnology,
12 Southern Research Institute, public or nonprofit colleges or
13 universities, community colleges, or any other entity located
14 in the state which is described in 15 U.S.C. § 638(e)(8) and
15 with particular focus on underrepresented companies as defined
16 in subsection (c) of Section 40-18-376.4, Code of Alabama
17 1975, in a manner that reflects the diversity of gender, race,
18 and geographical areas of the state, and small businesses
19 conducting research in partnership with historically Black
20 colleges and universities. Upon the approval of the board, the
21 corporation may grant available funds to entities in amounts
22 not to exceed the lesser of either of the following:

23 a. Fifty percent of the relevant federal Small
24 Business Innovation Research or Small Business Technology
25 Transfer award made 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 corporation shall develop a marketing
6 campaign directed at ensuring that underrepresented companies,
7 as defined in subsection (c) of Section 40-18-376.4, Code of
8 Alabama 1975, and historically Black colleges and universities
9 are aware of the federal Small Business Innovation Research
10 and Small Business Technology Transfer Research programs,
11 together with the Alabama award match program.

12 (7) The corporation shall develop a program that
13 will provide federal Small Business Innovation Research and
14 Small Business Technology Transfer Research program
15 application assistance to underrepresented companies, as
16 defined in subsection (c) of Section 40-18-376.4, Code of
17 Alabama 1975.

18 ~~(6)~~ (8) The amount and all terms and conditions of
19 the grant shall be memorialized in a grant agreement between
20 the corporation and the entity, which agreement shall include
21 all of the following terms and conditions:

22 a. The amount of the grant, or the formula under
23 which the amount is computed.

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

4 c. The condition that the entity shall have its
5 primary place of business in this state, the place of
6 residence of one of its top executives in this state, and the
7 place of residence of at least 75 percent of its employees for
8 a period of five years after the effective date of the grant
9 agreement in this state.

10 d. The requirement that the default of the entity,
11 under any provision of the grant agreement, shall result in
12 the repayment of any monies paid to the entity by the
13 corporation, unless the entity should default because it
14 ceases to be a going concern prior.

15 §41-10-823. Rules.

16 The corporation may adopt rules as necessary to
17 implement and administer this article.

18 Section 2. This act shall become effective on the
19 first day of the second month following its passage and
20 approval by the Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 22-APR-21, as amended.

Jeff Woodard
Clerk

Senate	<hr/> 04-MAY-21 <hr/>	Amended and Passed
House	<hr/> 06-MAY-21 <hr/>	Concurred in Senate Amendment