

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

ENGROSSED

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 awards, or both.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

§41-10-820. Legislative findings.

The Legislature finds and declares all of the following:

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

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

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

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

§41-10-821. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Applications shall be considered by the board of the corporation. For an entity seeking a matching grant under subdivision (4), the corporation may give preference to entities seeking matching grants which conduct funded research in this state with HudsonAlpha Institute for Biotechnology, Southern Research Institute, public or nonprofit colleges or universities, community colleges, or any other entity located in the state which is described in 15 U.S.C. § 638(e)(8). Upon the approval of the board, the corporation may grant available funds to entities in amounts not to exceed the lesser of either of the following:

a. Fifty percent of the relevant federal Small Business Innovation Research or Small Business Technology Transfer award made to the entity.

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

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

(6) The amount and all terms and conditions of the grant shall be memorialized in a grant agreement between the

1 corporation and the entity, which agreement shall include all
2 of the following terms and conditions:

3 a. The amount of the grant, or the formula under
4 which the amount is computed.

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

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

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

19 §41-10-823. Rules.

20 The corporation may adopt rules as necessary to
21 implement and administer this article.

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

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House of Representatives

4 Read for the first time and re-
5 ferred to the House of Representa-
6 tives committee on Ways and Means
7 Education..... 08-APR-21

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9 Read for the second time and placed
10 on the calendar with 1 substitute
11 and..... 15-APR-21

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13 Read for the third time and passed
14 as amended..... 22-APR-21

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Jeff Woodard

Clerk