A BILL TO BE ENTITLED
AN ACT TO MODIFY AND ENHANCE THE ONE NORTH CAROLINA SMALL BUSINESS PROGRAM.
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-437.80 reads as rewritten:

"§ 143B-437.80. North Carolina SBIR/STTR Incentive Program.

(a) Program. – There is established the North Carolina SBIR/STTR Incentive Program to be administered by the North Carolina Board of Science, Technology, and Innovation. In order to foster job creation and economic development throughout the State, the Board may provide grants to eligible businesses to offset costs associated with applying to the United States Small Business Administration for federal Small Business Innovative Research (SBIR) grants or Small Business Technology Transfer Research (STTR) grants. The grants shall be paid from the One North Carolina Small Business Account established in G.S. 143B-437.71.

(c) Grant. – The North Carolina Board of Science, Technology, and Innovation may award grants to reimburse an eligible business for up to fifty percent (50%) for a percentage of the costs of preparing and submitting a SBIR/STTR Phase I proposal, up to a maximum of three twelve thousand dollars ($3,000)–($12,000). The maximum percentage for reimbursement is one hundred percent (100%) for an eligible business located in a development tier one or two area, as defined in G.S. 143B-437.08, and is fifty percent (50%) for any other eligible business. A business may receive only one grant under this section per year. A business may receive only one grant under this section with respect to each federal proposal submission. Costs that may be reimbursed include costs incurred directly related to preparation and submission of the grant such as word processing services, proposal consulting fees, project-related supplies, literature searches, rental of space or equipment related to the proposal preparation, educational programs, and salaries of individuals involved with the preparation of the proposals. Costs that shall not be reimbursed include travel expenses, large equipment purchases, facility or leasehold improvements, and legal fees. A grant to a business partnered with a public institution of higher education in this State does not count toward the maximum grant limitation provided in this section.

(e) Education and Outreach. – The North Carolina Board of Science, Technology, and Innovation may use up to ten percent (10%) of funds appropriated for grants under this section to provide education and outreach, including training, materials, and location and other associated costs, to aid in the awareness and successful completion of SBIR/STTR Phase I proposals."
SECTION 2. G.S. 143B-437.81(c) reads as rewritten:

"(c) Grant. – The North Carolina Board of Science, Technology, and Innovation may award grants to match the funds received by a business through a SBIR/STTR Phase I proposal up to a maximum of one-two hundred thousand dollars ($100,000)–($200,000). Seventy-five percent (75%) of the total grant shall be remitted to the business upon receipt of the SBIR/STTR Phase I award and application for funds under this section. Twenty-five percent (25%) of the total grant shall be remitted to the business upon submission by the business of the Phase II application to the funding agency and acceptance of the Phase I report by the funding agency. A business may receive only one grant under this section per year. A business may receive only one grant under this section with respect to each federal proposal submission award. Over its lifetime, a business may receive a maximum of five awards under this section. An award to a business partnered with a public institution of higher education in this State does not count toward the maximum award limitation provided in this section."

SECTION 3. There is appropriated from the General Fund to the One North Carolina Small Business Account established in G.S. 143B-437.71 the sum of two million dollars ($2,000,000) in recurring funds for the 2021-2022 and 2022-2023 fiscal years to be used for the North Carolina SBIR/STTR Incentive Program and the North Carolina SBIR/STTR Matching Funds Program, as provided in Part 2I of Article 10 of Chapter 143B of the General Statutes.

SECTION 4. There is appropriated from the General Fund to the One North Carolina Small Business Account established in G.S. 143B-437.71 the sum of seven million dollars ($7,000,000) in nonrecurring funds for the 2021-2022 fiscal year as a supplement in response to the COVID-19 pandemic to be used for the North Carolina SBIR/STTR Incentive Program and the North Carolina SBIR/STTR Matching Funds Program, as provided in Part 2I of Article 10 of Chapter 143B of the General Statutes.

SECTION 5. Sections 3 and 4 of this act become effective July 1, 2021. The remainder of this act is effective when it becomes law.