



# HOUSE BILL 965: SBIR/STTR Incentive Modifications.

2021-2022 General Assembly

<b>Committee:</b>	House Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 8, 2021
<b>Introduced by:</b>	Reps. Johnson, K. Hall, Saine, Reives	<b>Prepared by:</b>	Joyce Jones
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

**OVERVIEW:** *House Bill 965 augments the grants awarded under the State SBIR/STTR Incentive Program, an incentive that provides grants to businesses to offset costs associated with applying for federal grants. [As introduced, this bill was identical to S494, as introduced by Sens. Newton, Salvador, Woodard, which is currently in Senate Appropriations/Base Budget.]*

## BILL ANALYSIS:

Section 1 augments the grant award for applicants submitting a SBIR/STTR Phase I proposal in the following ways: (i) it increases the grant calculation for an applicant in a development tier one or two area from 50% of costs associated with the federal application to 100% of costs associated with the application, (ii) it increases the maximum amount of the grant from \$3,000 to \$12,000, (iii) it increases the number of grants a business may receive under the program per year from one to two grants, and (iv) it expands which costs may be included in the calculation of the grant amount to include educational programs.

Section 1 also allows the Board of Science, Technology, and Innovation to use 10% of amounts appropriated for the program for education and outreach to aid in awareness and completion of Phase I proposals.

A recipient of a federal grant award resulting from a SBIR/STTR Phase I proposal may apply to the Board for a grant from the State for matching funds. Section 2 increases the matching funds available in the following ways: (i) it increases the maximum award from \$100,000 to \$200,000, (ii) it eliminates the restriction that a business may receive only one grant under the statutory provision per year, and (iii) it increases the lifetime award maximum under the statutory provision for a single business from five to 10 awards.

Section 3 appropriates \$2 million in recurring funds for the Incentive Program for each year of the fiscal biennium.

Section 4 appropriates \$7 million in nonrecurring funds as a supplement for the Incentive Program as a result of the COVID-19 pandemic.

**EFFECTIVE DATE:** Sections 1 and 2 of the bill would become effective when it becomes law. Sections 3 and 4 of the bill would become effective July 1, 2021.

*\*Staff Attorney Dan Ettefagh substantially contributed to this summary.*

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