

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

1 ENGROSSED

2
3
4 A BILL
5 TO BE ENTITLED
6 AN ACT

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

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Article 21, commencing with Section
17 41-10-820, is added to Chapter 10, Title 41 of the Code of
18 Alabama 1975, as follows:

19 §41-10-820. Legislative findings.

20 The Legislature finds and declares all of the
21 following:

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

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

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

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

15 §41-10-821. Definitions.

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

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

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

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

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

1 §41-10-822. Innovate Alabama Matching Grant Program.

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

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

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

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

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

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

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

25 a. For a Phase I application, that the entity has
26 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). Upon
15 the approval of the board, the corporation may grant available
16 funds to entities in amounts not to exceed the lesser of
17 either of the following:

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

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

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

25 (6) The amount and all terms and conditions of the
26 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

16
17
18
19

House of Representatives

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

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

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

Yeas 97, Nays 1, Abstains 2

Jeff Woodard
Clerk