

House Bill 556

By: Representative Teilhet of the 40th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 50 of the Official Code of Georgia Annotated, relating to the
2 Department of Economic Development, so as to establish a program to provide certain types
3 of grants to small businesses; to provide for definitions; to provide for an application process;
4 to provide for certain limits relating to grants awarded; to provide for related matters; to
5 repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 7 of Title 50 of the Official Code of Georgia Annotated, relating to the Department
9 of Economic Development, is amended by adding a new article to read as follows:

10 "ARTICLE 8

11 50-7-90.

12 As used in this article, the term:

13 (1) 'Commissioner' means the commissioner of economic development.

14 (2) 'Department' means the Department of Economic Development.

15 (3) 'Small business' means a corporation, partnership, limited liability company, business
16 trust, sole proprietorship, or individuals operating a business for profit which has applied
17 to SBIR or STTR and has qualified for either Phase I or Phase II grant funding.

18 (4) 'SBIR' means the Small Business Innovation and Research Program enacted under
19 the Small Business Innovation Development Act of 1982, Pub. L. 97-219, 15 U.S.C.
20 Section 638.

21 (5) 'STTR' means the Small Business Technology Transfer Program enacted under the
22 Small Business Technology Transfer Act of 1992, Pub. L. 102-564, 15 U.S.C. Section
23 638.

24 50-7-91.

25 (a) The department shall establish an incentive program for SBIR and STTR Phase I grant
26 recipients. Upon recommendation from the commissioner, the department shall be
27 authorized to provide grants to match the grants received by small businesses through the
28 SBIR or STTR program. Grants provided by the department to any single small business
29 shall not exceed \$100,000.00. Up to \$75,000.00 may be provided after the announcement
30 but before disbursement of the federal grant. Up to \$25,000.00 may be provided upon
31 submission by the federal grant recipient of its Phase II application.

32 (b) Any small business seeking a grant pursuant to this Code section shall apply to the
33 department on forms prescribed by the department. To be eligible, the applicant shall have
34 its principal place of business in the State of Georgia and shall certify that the research to
35 be conducted will benefit the economy of the State of Georgia.

36 (c) Upon approval, the small business and the department shall enter into an SBIR or
37 STTR match grant agreement. The terms and provisions of the agreement, including the
38 amount of the grant, shall be determined by the department after negotiation with the small
39 business. At a minimum, the agreement shall contain the following provisions:

40 (1) The agreement shall terminate upon submission of the Phase II grant application to
41 the federal government;

42 (2) When the agreement terminates, the grant recipient shall file with the department a
43 report regarding its expenditures of the grant funds, with appropriate documentation of
44 expenses incurred. If the grant recipient fails to submit an acceptable report, the
45 department shall be authorized to order repayment of all or a portion of the grant funds;
46 and

47 (3) The grant recipient shall be authorized to assign the agreement only upon the prior
48 written consent of the department.

49 50-7-92.

50 After July 1, 2010, the department shall be authorized to establish an incentive program for
51 SBIR and STTR Phase II grant recipients. Grants under such program shall be up to
52 \$500,000.00. Upon its establishment, the incentive program for such program shall be
53 administered in a manner substantially similar to the Phase I incentive program established
54 pursuant to Code Section 50-8-91.

55 50-7-93.

56 The department shall be authorized to promulgate such rules and regulations necessary for
57 the implementation of this article."

58

SECTION 2.

59 All laws and parts of laws in conflict with this Act are repealed.