

By: West

S.B. No. 1478

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a grant matching program for the federal small business innovation research and small business technology transfer programs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 489, Government Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER GRANT MATCHING PROGRAM

Sec. 489.351. DEFINITIONS. In this subchapter:

(1) "Federal funding program" means the small business innovation research and small business technology transfer programs established by 15 U.S.C. Section 638.

(2) "Grant matching program" means the small business innovation research and small business technology transfer grant matching program established under this subchapter.

Sec. 489.352. ESTABLISHMENT AND ADMINISTRATION OF GRANT MATCHING PROGRAM. The office shall establish and administer the small business innovation research and small business technology transfer grant matching program to foster job creation and economic development in this state by matching or supplementing money received by a business entity through the federal funding program.

Sec. 489.353. ELIGIBILITY. To be eligible to receive money under the grant matching program, a business entity must:

1 (1) be organized under the laws of this state;

2 (2) meet all requirements to receive money under the
3 federal funding program;

4 (3) not receive concurrent funding from another state
5 program or fund that serves the same purpose as the grant matching
6 program; and

7 (4) meet any additional requirements under this
8 subchapter for the applicable phase under which the business entity
9 applies to receive money.

10 Sec. 489.354. APPLICATION. (a) A business entity may apply
11 to receive money under the grant matching program by submitting an
12 application under oath to the office on a form prescribed by the
13 office. The application must include:

14 (1) the business entity's name;

15 (2) the business entity's business organization
16 structure;

17 (3) the business entity's address and any principals
18 listed at a different address;

19 (4) certification of the information required under
20 Section 489.353; and

21 (5) any other information required by the office.

22 (b) In addition to the requirements of Subsection (a), a
23 business entity must provide to the office, as applicable:

24 (1) for "phase zero" or a similar stage of the federal
25 funding program process, a notification of receipt for an
26 application for funding under the federal funding program;

27 (2) for "phase one" or a similar stage of the federal

funding program process:

(A) a notice of award to the entity from a funding agency under the federal funding program;

(B) a final report for the applicable stage as required by the federal funding program; and

(C) a proposal for money under the next stage of the federal funding program; and

(3) for "phase two" or a similar stage of the federal funding program process:

(A) a notice of award to the entity from a funding agency under the federal funding program; and

(B) a final report for the applicable stage as required by the federal funding program.

Sec. 489.355. AWARD OF GRANT; LIMITATIONS. (a) The office may award a "phase zero" grant under this subchapter of not more than \$2,500 immediately on fulfillment of the requirements under Section 489.354(b)(1). A business entity may not receive more than five grants under this subsection.

(b) The office may award a "phase one" grant under this subchapter of not more than \$100,000, with 50 percent of the money to be awarded on receipt of the notice of an award described by Section 489.354(b)(2)(A) and 50 percent of the money to be awarded on receipt of the proposal described by Section 489.354(b)(2)(C). A business entity may only receive one grant under this subsection in a single fiscal year. A business entity may not receive more than five grants under this subsection.

(c) The office may award a "phase two" grant under this

1 subchapter of not more than \$100,000 each year for not more than two
2 years. Disbursement for the first year of the award must occur
3 immediately on fulfillment of the requirements under Section
4 489.354(b)(3). Disbursement for the second year of the award may
5 occur on the anniversary of the first disbursement if the business
6 entity provides certification to the office that the entity will
7 continue to receive funding under the federal funding program for a
8 second year. A business entity may only receive one grant under this
9 subsection in a single fiscal year. A business entity may not
10 receive more than five grants under this subsection.

11 (d) A business entity may assign a grant received under this
12 subchapter only with the prior written consent of the office.

13 Sec. 489.356. FUNDING. The office shall award grants as
14 provided by this subchapter from available money and any additional
15 money appropriated for purposes of this subchapter.

16 SECTION 2. As soon as practicable after the effective date
17 of this Act, the Texas Economic Development and Tourism Office
18 shall adopt the rules necessary to implement Subchapter G, Chapter
19 489, Government Code, as added by this Act.

20 SECTION 3. This Act takes effect September 1, 2023.