

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Introduced

House Bill 4544

BY DELEGATE CAPITO

[Introduced February 13, 2018; Referred
to the Committee on Small Business,
Entrepreneurship and Economic Development then
Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §5B-8-1, §5B-8-2, §5B-8-3, §5B-8-4, and §5B-8-5, all relating to creating a
 3 matching program for the small business innovation and research program and the small
 4 business technology transfer program; defining terms; defining eligibility; providing terms
 5 of the grant; and defining the application process.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 5B. SMALL BUSINESS INNOVATION AND RESEARCH AND SMALL
 BUSINESS TRANSFER TECHNOLOGY MATCHING FUNDS PROGRAM.**

§5B-8-1. Definitions.

1 When used in this article:

2 “Department” means the West Virginia Department of Commerce.

3 “Secretary” means the Secretary of the West Virginia Department of Commerce.

4 “SBIR” means the Small Business Innovation and Research Program enacted under the
 5 Small Business Innovation Development Act of 1982, Pub. L. 97-219, 15 U.S.C. §638.

6 “STTR” means the Small Business Technology Transfer Program enacted under the Small
 7 Business Technology Transfer Act of 1992, Pub. L. 102-564, 15 U.S.C §638.

8 “Small business” means a corporation, partnership, limited liability company, statutory or
 9 common law business trust, sole proprietorship, or individual, operating a business for profit,
 10 which qualifies as a small business and otherwise meets the requirements of the SBIR or STTR
 11 programs.

12 “West Virginia-based business” means a business that has its principal place of business
 13 in this state.

§5B-8-2. Creating a matching program.

1 The West Virginia Small Business Innovation and Research and Small Business
 2 Technology Transfer Matching Funds Program is hereby established. It shall be administered by

3 the department. In order to foster job creation and economic development in the state, the
4 department may provide grants to eligible businesses to match funds received by a business as
5 a Small Business Innovation and Research or Small Business Technology Transfer Phase I
6 award and to encourage businesses to apply for Phase II awards.

§5B-8-3. Eligibility.

1 In order to be eligible for a grant under this article, a business must satisfy all of the
2 following conditions:

3 (1) The business must be a for-profit, West Virginia-based business;

4 (2) The business must have received a SBIR/STTR Phase I award from a participating
5 federal agency in response to a specific federal solicitation. To receive the full match, the business
6 must also have submitted a final Phase I report, demonstrated that the sponsoring agency has
7 interest in the Phase II proposal, and submitted a Phase II proposal to the agency;

8 (3) The business must satisfy all federal SBIR/STTR requirements;

9 (4) The business shall not receive concurrent funding support from other sources that
10 duplicates the purpose of this article;

11 (5) The business must certify that at least 51 percent of the research described in the
12 federal SBIR/STTR Phase II proposal will be conducted in this state and that the business will
13 remain a West Virginia-based business for the duration of the SBIR/STTR Phase II project; and

14 (6) The business must demonstrate its ability to conduct research in its SBIR/STTR Phase
15 II proposal.

§5B-8-4. Application process.

1 (a) A business shall apply, under oath, to the department on a form prescribed by the
2 department that includes at least all of the following:

3 (1) The name of the business, the form of business organization under which it is operated,
4 and the names and addresses of the principals or management of the business;

5 (2) An acknowledgement of receipt of the Phase I report and Phase II proposal by the

6 relevant federal agency; and

7 (3) Any other information necessary for the department to evaluate the application.

8 (b) The secretary shall review the application and determine the following:

9 (1) Whether the applicant satisfies the eligibility and other requirements; and

10 (2) Whether to recommend that the department award matching grants.

§5B-8-5. Grant terms.

1 Upon recommendation by the secretary, the department may award grants to match the
2 funds received by a business through a SBIR/STTR Phase I proposal up to a maximum of
3 \$100,000. Seventy-five percent of the total grant shall be remitted to the business upon receipt of
4 the SBIR/STTR Phase I award and application for funds under this article. Twenty-five percent of
5 the total grant shall be remitted to the business upon submission by the business of the Phase II
6 application to the funding agency and acceptance of the Phase I report by the funding agency. A
7 business may receive only one grant under this article per year. A business may receive only one
8 grant under this article with respect to each federal proposal submission. Over its lifetime, a
9 business may receive a maximum of five awards under this article. A grant recipient may assign
10 the agreement only upon the prior written consent of the secretary.

NOTE: The purpose of this bill is to create a matching program for the Small Business Innovation and Research (SBIR) program and the Small Business Technology Transfer (STTR) program.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.