

# STATE OF NEW YORK

8325

## IN SENATE

February 14, 2022

Introduced by Sen. KAPLAN -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, in relation to establishing a matching grant program for certain small businesses receiving funding under the federal small business innovation research program or the small business technology transfer program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The economic development law is amended by adding a new  
2 section 138-a to read as follows:

3 § 138-a. Small business innovation research and small business tech-  
4 nology transfer grant program. 1. The commissioner, in consultation with  
5 the division for small-business, shall establish a grant program to  
6 provide funds to small businesses who have been awarded phase one or  
7 phase two grants under the federal small business innovation research  
8 program or the small business technology transfer program. Such grants  
9 shall be awarded based on a company's potential for commercialization  
10 and job growth.

11 2. The grant program established pursuant to this section shall be  
12 staged over a period of three years. The funding amounts for such grant  
13 program shall be as follows:

14 (a) For small businesses that have been awarded phase one funding  
15 under the federal small business innovation research program or the  
16 small business technology transfer program, the amount shall be one  
17 hundred thousand dollars in year one, two hundred thousand dollars in  
18 year two, and five hundred thousand dollars in year three.

19 (b) For small businesses that have been awarded phase two funding  
20 under the federal small business innovation research program or the  
21 small business technology transfer program, the amount shall be one  
22 hundred thousand dollars in year one, two hundred thousand dollars in  
23 year two, and five hundred thousand dollars in year three.

24 3. (a) In the first year of the program, twenty small businesses shall  
25 be awarded grants of one hundred thousand dollars.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 (b) In the second year of the program, ten small businesses shall be  
2 chosen from the companies that were awarded a grant in the first year,  
3 to receive grants in the amount of two hundred thousand dollars.

4 (c) In the third year of the program, four small businesses shall be  
5 chosen from the companies that were awarded a grant in the second year,  
6 to receive grants or equity, depending on the situation, in the amount  
7 of five hundred thousand dollars.

8 4. Such funds awarded pursuant to this section shall be used to expe-  
9 dite commercialization and generally used to cover expenses not allowed  
10 under the federal small business innovation research program or the  
11 small business technology transfer program, including but not limited to  
12 patents and marketing studies in sales efforts.

13 5. Such funds shall be awarded on condition that the small business  
14 recipient remains headquartered in the state for at least two years  
15 following the successful commercialization of the business's product or  
16 products. Any small business that has received funding under this  
17 program that is not headquartered in the state for at least two years  
18 following the successful commercialization of the business's product or  
19 products shall return all grant awards to the state. If the small busi-  
20 ness ceases operations before two years after the commercialization of  
21 its product or products, such business shall be eligible for a waiver of  
22 this clawback provision, as determined by the commissioner, in consulta-  
23 tion with the division of small business.

24 6. The commissioner, in consultation with the division for small busi-  
25 ness, shall establish the form and manner in which applications for  
26 grant awards shall be submitted and shall establish guidelines for the  
27 grant program. The department shall review each application for compli-  
28 ance with the eligibility criteria and other requirements set forth in  
29 the program guidelines established by the commissioner. The department  
30 may approve or reject each application or may return an application for  
31 modifications, if necessary.

32 § 2. This act shall take effect one year after it shall have become a  
33 law. Effective immediately, the addition, amendment and/or repeal of any  
34 rule or regulation necessary for the implementation of this act on its  
35 effective date are authorized to be made and completed on or before such  
36 effective date.