STATE OF NEW YORK

1824

2023-2024 Regular Sessions

IN SENATE

January 17, 2023

Introduced by Sen. RYAN -- 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:

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

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

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

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

(b) For small businesses that have been awarded phase two funding under the federal small business innovation research program or the small business technology transfer program, the amount shall be one

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

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hundred thousand dollars in year one, two hundred thousand dollars in year two, and five hundred thousand dollars in year three.

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

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

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

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

5. Such funds shall be awarded on condition that the small business recipient remains headquartered in the state for at least five years following the successful commercialization of the business's product or products. Any small business that has received funding under this program that is not headquartered in the state for at least five years following the successful commercialization of the business's product or products shall return all grant awards to the state. If the small business ceases operations before five years after the commercialization of its product or products, such business shall be eligible for a waiver of this clawback provision, as determined by the commissioner, in consultation with the division of small business.

6. The commissioner, in consultation with the division for small business, shall establish the form and manner in which applications for grant awards shall be submitted and shall establish guidelines for the grant program. The department shall review each application for compliance with the eligibility criteria and other requirements set forth in the program guidelines established by the commissioner. The department may approve or reject each application or may return an application for modifications, if necessary.

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