

WEST VIRGINIA LEGISLATURE
2019 REGULAR SESSION

FILED

2019 MAR 27 A 11:23

OFFICE WEST VIRGINIA
SECRETARY OF STATE

ENROLLED

Committee Substitute

for

House Bill 2550

BY DELEGATE CAPITO, NELSON, QUEEN AND FAST

[Passed March 7, 2019; in effect ninety days from
passage.]

HB 2550
HH

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BY DELEGATE CAPITO, NELSON, QUEEN AND FAST

[Passed March 7, 2019; in effect ninety days from
passage.]

1 AN ACT 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 Research Program and the Small
4 Business Technology Transfer Program; providing that matching funds are to be paid from
5 the Entrepreneurship and Innovation Investment Fund; defining terms; defining eligibility;
6 providing terms of the grant; defining the application process; and providing for legislative
7 rule-making.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 8. SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS
TECHNOLOGY TRANSFER MATCHING FUNDS PROGRAM.**

§5B-8-1. Definitions.

1 When used in this article:

2 "Department" means the West Virginia Department of Commerce.

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

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

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

11 "West Virginia-based business" means a business that has its principal place of business
12 in this state.

§5B-8-2. Creating a matching program.

1 The West Virginia Small Business Innovation Research and Small Business Technology
2 Transfer Matching Funds Program is established. It shall be administered by the department
3 which is hereby authorized to promulgate legislative rules governing the program. In order to

4 foster job creation and economic development in the state, the department may provide grants to
5 eligible small businesses to match funds they receive from Small Business Innovation Research
6 or Small Business Technology Transfer Phase I and Phase II awards. The department will pay
7 the grants from the fund known as the "Entrepreneurship and Innovation Investment Fund"
8 created pursuant to §5B-2-16 of this code.

§5B-8-3. Eligibility.

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

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

4 (2) For the Phase I and/or Phase II Matching program the small business must have
5 received a SBIR/STTR Phase I or SBIR/STTR Phase II award from a participating federal agency
6 in response to a specific federal solicitation. To receive the full match for the Phase I award, the
7 small business must also have submitted a final Phase I report, demonstrated that the sponsoring
8 agency has an interest in a Phase II proposal, and submitted a Phase II proposal to the agency;
9 To receive the Phase II match, the small business must have submitted the final progress report
10 to the funding agency;

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

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

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

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

§5B-8-4. Application process.

1 (a) A small business shall apply, under oath, to the department on forms prescribed by the
2 department that include at least the following:

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

5 (2) For matching awards, notice of award from the funding agency of the SBIR/STTR
6 Phase I or Phase II award;

7 (3) For matching awards, study section evaluation and comments; and

8 (4) Any other information necessary for the department to evaluate the application.

9 (b) The department shall review the application, determine whether the applicant satisfies
10 the eligibility requirements, and determine whether to award matching grants.

§5B-8-5. Grant terms.

1 (a) The department may award a "WV Phase Zero Grant" of \$2500 upon submission of a
2 Phase I SBIR/STTR proposal or Fast track SBIR/STTR proposal. The WV Phase Zero grant shall
3 be remitted to the small business upon notification from the granting agency of the receipt of a
4 submission for an SBIR/STTR Phase I or SBIR/STTR fast track application. The small business
5 must provide satisfactory evidence to the department of the notification of receipt. A small
6 business may receive only one WV Phase Zero Grant per year. A small business may receive
7 only one WV Phase Zero Grant with respect to each federal proposal submission; resubmissions
8 of unsuccessful applications are not eligible. Over its lifetime, a small business may receive a
9 maximum of five WV Phase Zero awards. A grant recipient may assign an award only upon the
10 prior written consent of the department.

11 (b) The department may award grants to match funds received by a small business
12 through a SBIR/STTR Phase I proposal up to a maximum of \$100,000 paid in two remittances.
13 Fifty percent of the award under this subsection shall be remitted to the small business upon
14 receipt of the SBIR/STTR Phase I award and an application to the department for the funds. The

15 remaining fifty percent of the award under this subsection shall be remitted to the small business
16 upon submission by the small business of a Phase II application to the funding agency,
17 acceptance of the Phase I report by the funding agency, and application to the department for the
18 funds. A small business may receive only one grant under this subsection per year. A small
19 business may receive only one grant under this subsection with respect to each federal proposal
20 submission. Over its lifetime, a small business may receive a maximum of five awards under this
21 subsection. A grant recipient may assign the award only upon the prior written consent of the
22 department.

23 (c) The department may award grants to match the funds received by a small business
24 through a SBIR/STTR Phase II proposal up to a maximum of \$100,000 per year for up to two
25 years, after application to the department. The second remittance may be made to the small
26 business on the one-year anniversary of the first matching remittance under this subsection, if
27 applicant applies for the funds with documentation from the agency indicating that the grant is to
28 continue for a second year. A small business may receive only one grant under this subsection
29 per year. A small business may receive only one award under this subsection with respect to each
30 federal proposal submission. Over its lifetime, a small business may receive a maximum of five
31 awards under this subsection. A grant recipient may assign the award only upon the prior written
32 consent of the department.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

FILED

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Wesley L. Capito
.....
Chairman, House Committee

OFFICE WEST VIRGINIA
SECRETARY OF STATE

Mark J. Jayne
.....
Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

Steve Hannon
.....
Clerk of the House of Delegates

Joe Linn
.....
Clerk of the Senate

Leslie R. Frank
.....
Speaker of the House of Delegates

Michelle B. Cantrill
.....
President of the Senate

The within *is approved* this the *27th*
day of *March* 2019.

James Justice
.....
Governor

PRESENTED TO THE GOVERNOR

MAR 19 2019

Time 11:33 am