

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 965

Short Title: SBIR/STTR Incentive Modifications. (Public)

Sponsors: Representatives Johnson, K. Hall, Saine, and Reives (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 12, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY AND ENHANCE THE ONE NORTH CAROLINA SMALL  
3 BUSINESS PROGRAM.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 143B-437.80 reads as rewritten:

6 "**§ 143B-437.80. North Carolina SBIR/STTR Incentive Program.**

7 (a) Program. – There is established the North Carolina SBIR/STTR Incentive Program  
8 to be administered by the North Carolina Board of Science, Technology, and Innovation. In order  
9 to foster job creation and economic development ~~in throughout~~ the State, the Board may provide  
10 grants to eligible businesses to offset costs associated with applying ~~to the United States Small~~  
11 ~~Business Administration~~ for federal Small Business Innovative Research (SBIR) grants or Small  
12 Business Technology Transfer Research (STTR) grants. The grants shall be paid from the One  
13 North Carolina Small Business Account established in G.S. 143B-437.71.

14 ...

15 (c) Grant. – The North Carolina Board of Science, Technology, and Innovation may  
16 award grants to reimburse an eligible business ~~for up to fifty percent (50%) for a percentage of~~  
17 ~~the costs of preparing and submitting a SBIR/STTR Phase I proposal, up to a maximum of three~~  
18 ~~twelve thousand dollars (\$3,000)-(\$12,000). The maximum percentage for reimbursement is one~~  
19 ~~hundred percent (100%) for an eligible business located in a development tier one or two area,~~  
20 ~~as defined in G.S. 143B-437.08, and is fifty percent (50%) for any other eligible business. A~~  
21 ~~business may receive only one grant two grants under this section per year. A business may~~  
22 ~~receive only one grant under this section with respect to each federal proposal submission. Costs~~  
23 ~~that may be reimbursed include costs incurred directly related to preparation and submission of~~  
24 ~~the grant such as word processing services, proposal consulting fees, project-related supplies,~~  
25 ~~literature searches, rental of space or equipment related to the proposal preparation, educational~~  
26 ~~programs, and salaries of individuals involved with the preparation of the proposals. Costs that~~  
27 ~~shall not be reimbursed include travel expenses, large equipment purchases, facility or leasehold~~  
28 ~~improvements, and legal fees.~~

29 ...

30 (e) Education and Outreach. – The North Carolina Board of Science, Technology, and  
31 Innovation may use up to ten percent (10%) of funds appropriated for grants under this section  
32 to provide education and outreach, including training, materials, and location and other  
33 associated costs, to aid in the awareness and successful completion of SBIR/STTR Phase I  
34 proposals."

35 SECTION 2. G.S. 143B-437.81(c) reads as rewritten:



1       "(c) Grant. – The North Carolina Board of Science, Technology, and Innovation may  
2 award grants to match the funds received by a business through a SBIR/STTR Phase I proposal  
3 up to a maximum of ~~one two hundred thousand dollars (\$100,000)–(\$200,000)~~. Seventy-five  
4 percent (75%) of the total grant shall be remitted to the business upon receipt of the SBIR/STTR  
5 Phase I award and application for funds under this section. Twenty-five percent (25%) of the  
6 total grant shall be remitted to the business upon submission by the business of the Phase II  
7 application to the funding agency and acceptance of the Phase I report by the funding agency. ~~A~~  
8 ~~business may receive only one grant under this section per year.~~ A business may receive only  
9 one grant under this section with respect to each federal proposal ~~submission.~~ award. Over its  
10 lifetime, a business may receive a maximum of ~~five~~ 10 awards under this section."

11       **SECTION 3.** There is appropriated from the General Fund to the One North Carolina  
12 Small Business Account established in G.S. 143B-437.71 the sum of two million dollars  
13 (\$2,000,000) in recurring funds for the 2021-2022 and 2022-2023 fiscal years to be used for the  
14 North Carolina SBIR/STTR Incentive Program and the North Carolina SBIR/STTR Matching  
15 Funds Program, as provided in Part 2I of Article 10 of Chapter 143B of the General Statutes.

16       **SECTION 4.** There is appropriated from the General Fund to the One North Carolina  
17 Small Business Account established in G.S. 143B-437.71 the sum of seven million dollars  
18 (\$7,000,000) in nonrecurring funds for the 2021-2022 fiscal year as a supplement in response to  
19 the COVID-19 pandemic to be used for the North Carolina SBIR/STTR Incentive Program and  
20 the North Carolina SBIR/STTR Matching Funds Program, as provided in Part 2I of Article 10 of  
21 Chapter 143B of the General Statutes.

22       **SECTION 5.** Sections 3 and 4 of this act become effective July 1, 2021. The  
23 remainder of this act is effective when it becomes law.