

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

SENATE BILL 249

5 By: Senator D. Sanders  
6 By: Representatives S. Meeks, Cavanaugh  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS SMALL BUSINESS  
10 INNOVATION RESEARCH MATCHING GRANT PROGRAM; TO  
11 PROVIDE FOR MATCHING GRANTS TO ELIGIBLE BUSINESSES  
12 THAT HAVE RECEIVED FEDERAL SMALL BUSINESS INNOVATION  
13 RESEARCH GRANTS; TO ALLOW FOR FUNDING OF THE ARKANSAS  
14 SMALL BUSINESS INNOVATION RESEARCH MATCHING GRANT  
15 PROGRAM; AND FOR OTHER PURPOSES.  
16  
17

## Subtitle

18 TO CREATE THE ARKANSAS SMALL BUSINESS  
19 INNOVATION RESEARCH MATCHING GRANT  
20 PROGRAM; AND TO PROVIDE FOR MATCHING  
21 GRANTS TO BUSINESSES THAT HAVE RECEIVED  
22 FEDERAL SMALL BUSINESS INNOVATION  
23 RESEARCH GRANTS.  
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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29 SECTION 1. Arkansas Code § 15-3-503(b)(2), concerning the allocation  
30 of funds in the Arkansas Acceleration Fund, is amended to add an additional  
31 subdivision to read as follows:

32 (H) Arkansas Small Business Innovation Research Matching Grant  
33 Program, § 15-3-601 et seq.  
34

35 SECTION 2. Arkansas Code Title 15, Chapter 3, is amended to add an  
36 additional subchapter to read as follows:



1           Subchapter 6 – Arkansas Small Business Innovation Research Matching  
2 Grant Program

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4           15-3-601. Title.

5           This subchapter shall be known and may be cited as the “Arkansas Small  
6 Business Innovation Research Matching Grant Program”.

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8           15-3-602. Legislative findings.

9           The General Assembly finds that:

10           (1) The federal Small Business Innovation Research Program  
11 encourages innovative small businesses to engage in federal research and  
12 commercialization that has the potential for technological innovation and  
13 commercialization;

14           (2) Stimulating research and commercialization grows the economy  
15 by leveraging investment, creating exportable products and services, and  
16 creating and retaining high-wage, high-tech jobs in moderately and highly  
17 skilled occupations;

18           (3) Arkansas consistently ranks poorly among states in the  
19 number of federal Small Business Innovation Research grants awarded; and

20           (4) An inducement, in the form of a matching grants program, is  
21 needed to encourage Arkansas businesses to apply for federal Small Business  
22 Innovation Research grants and realize economic benefits of commercialized  
23 research.

24  
25           15-3-603. Definitions.

26           As used in this subchapter:

27           (1) “Eligible business” means a for-profit business that:

28                   (A) Is registered as a business entity in good standing  
29 with the Secretary of State; and

30                   (B) Has its principal place of business in Arkansas;

31           (2) “Matching grant” means a discretionary grant of up to fifty  
32 percent (50%) of the amount of a federal Small Business Innovation Research  
33 grant for each approved matching grant application;

34           (3) “Principal investigator/project manager” means the primary  
35 individual designated by an eligible business to provide the scientific and  
36 technical direction to a project supported by a matching grant; and

1           (4) “Small Business Innovation Research Program” means the  
2 federal program administered by the United States Small Business  
3 Administration according to regulations adopted pursuant to 15 U.S.C. § 638,  
4 as it existed on October 1, 2016, which provides funds for Phase I and Phase  
5 II Small Business Innovation Research grants through participating federal  
6 agencies.

7  
8           15-3-604. Administration.

9           (a)(1) The Arkansas Small Business Innovation Research Matching Grant  
10 Program is created.

11           (2) The Division of Science and Technology of the Arkansas  
12 Economic Development Commission shall administer the program.

13           (b) The division shall:

14           (1) Create application forms to be submitted by eligible  
15 businesses seeking a matching grant from the program;

16           (2) Devise an application process that:

17                   (A) Defines the eligibility criteria for a matching  
18 grant; and

19                   (B) Establishes application submittal and review  
20 processes;

21           (3) Define a process by which matching grants may be awarded;  
22 and

23           (4) Execute standard legal grant agreements and other  
24 documentation governing the disbursement and use of matching grants.

25  
26           15-3-605. Eligibility.

27           (a) To be eligible for a matching grant under this subchapter, an  
28 applicant shall:

29           (1) Be an eligible business;

30           (2) Certify that:

31                   (A) The eligible business:

32                           (i) For Phase I applications, has received a Small  
33 Business Innovation Research grant from a sponsoring agency in response to a  
34 specific federal solicitation; or

35                           (ii) For Phase II applications, has:

36                                   (a) Submitted a final Phase I report to the

1 sponsoring agency;

2 (b) Demonstrated that the sponsoring agency  
3 has interest in the Phase II proposal; and

4 (c) Submitted a Phase II proposal to the  
5 sponsoring agency; and

6 (B) All federal Small Business Innovation Research grant  
7 requirements will be met.

8 (b) An eligible business awarded a matching grant under this  
9 subchapter shall:

10 (1) Remain in Arkansas for the duration of the matching grant  
11 project;

12 (2) Designate an Arkansas resident or employee as the principal  
13 investigator/project manager during the duration of the matching grant; and

14 (3) Be principally engaged in one (1) or more of the following  
15 targeted business activities:

16 (A) Advanced materials and manufacturing systems;

17 (B) Agriculture, food, and environmental sciences;

18 (C) Biotechnology, bioengineering, and life sciences;

19 (D) Information technology;

20 (E) Transportation logistics; and

21 (F) Bio-based products.

22  
23 15-3-606. Application requirements.

24 (a) To request a matching grant under this subchapter, an applicant  
25 shall complete and submit the application forms prescribed by the Division of  
26 Science and Technology of the Arkansas Economic Development Commission under  
27 § 15-3-604.

28 (b) An applicant shall submit an application for each federal Phase I  
29 and federal Phase II grant proposal for which the applicant is requesting a  
30 matching grant.

31 (c) The division shall:

32 (1) Review applications:

33 (A) In order of receipt, as determined by the date and  
34 time stamp of receipt; and

35 (B) In accordance with rules promulgated by the division  
36 under § 15-3-609;

1           (2) Not consider an incomplete or noncompliant application and  
2 shall return an incomplete or a noncompliant application without further  
3 review;

4           (3) Review each application with the advice and recommendation  
5 of the Commercialization Committee of the Board of Directors of the Division  
6 of Science and Technology of the Arkansas Economic Development Commission;  
7 and

8           (4) Provide advice to the Executive Director of the Arkansas  
9 Economic Development Commission concerning the applications for matching  
10 grants reviewed by the division.

11           (d)(1) Applications submitted to the division are subject to the  
12 Freedom of Information Act of 1967, § 25-19-101 et seq.

13           (2) To the extent an applicant believes that information in an  
14 application is confidential or otherwise exempt under the Freedom of  
15 Information Act of 1967, § 25-19-101 et seq., the applicant shall  
16 specifically designate in writing the information the applicant believes to  
17 be confidential or exempt and the basis for the confidentiality or exemption  
18 on that portion of the application in which the information appears.

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20           15-3-607. Matching grant awards.

21           (a) A matching grant awarded under this subchapter:

22           (1) Shall not:

23                   (A) Be awarded under this subchapter unless offered in  
24 writing by the executive director; and

25                   (B) Exceed fifty percent (50%) of the federal Small  
26 Business Innovation Research award, up to:

27                           (i) Fifty thousand dollars (\$50,000) for a matching  
28 grant awarded to match a federal Phase I award; and

29                           (ii) One hundred thousand dollars (\$100,000) for a  
30 matching grant awarded to match a federal Phase II award; and

31           (2) Subject to funding and the discretion of the executive  
32 director, may be offered to an eligible applicant that successfully completes  
33 the application process.

34           (b) The matching grant agreement between the Division of Science and  
35 Technology of the Arkansas Economic Development Commission and the eligible  
36 applicant shall delineate all requirements of the matching grant.

