

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 965  
Committee Substitute Favorable 6/9/21

Short Title: SBIR/STTR Incentive Modifications.

(Public)

Sponsors:

Referred to:

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. A grant to a business partnered with a public institution of higher  
29 education in this State does not count toward the maximum grant limitation provided in this  
30 section.

31 ...

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



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

2           "(c) Grant. – The North Carolina Board of Science, Technology, and Innovation may  
3 award grants to match the funds received by a business through a SBIR/STTR Phase I proposal  
4 up to a maximum of ~~one two~~ hundred thousand dollars ~~(\$100,000)~~–~~(\$200,000)~~. Seventy-five  
5 percent (75%) of the total grant shall be remitted to the business upon receipt of the SBIR/STTR  
6 Phase I award and application for funds under this section. Twenty-five percent (25%) of the  
7 total grant shall be remitted to the business upon submission by the business of the Phase II  
8 application to the funding agency and acceptance of the Phase I report by the funding agency. ~~A~~  
9 ~~business may receive only one grant under this section per year.~~ A business may receive only  
10 one grant under this section with respect to each federal proposal ~~submission.~~ award. Over its  
11 lifetime, a business may receive a maximum of ~~five~~ 10 awards under this section. An award to a  
12 business partnered with a public institution of higher education in this State does not count toward  
13 the maximum award limitation provided in this section."

14           **SECTION 3.** There is appropriated from the General Fund to the One North Carolina  
15 Small Business Account established in G.S. 143B-437.71 the sum of two million dollars  
16 (\$2,000,000) in recurring funds for the 2021-2022 and 2022-2023 fiscal years to be used for the  
17 North Carolina SBIR/STTR Incentive Program and the North Carolina SBIR/STTR Matching  
18 Funds Program, as provided in Part 2I of Article 10 of Chapter 143B of the General Statutes.

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

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