



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3109

Introduced 2/18/2025, by Rep. Barbara Hernandez

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1055

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity may award grants to match the funds received by a business through an SBIR/STTR Phase I proposal up to a maximum of \$75,000 (currently, \$50,000). Provides that the Department of Commerce and Economic Opportunity may award grants to match the funds received by a business through an SBIR/STTR Phase II proposal up to a maximum of \$250,000. Provides that 50% of the total Phase II grant shall be remitted to the business upon submission by the business of the Phase II final report to the federal funding agency. Provides that a business may receive only one such grant per year. Provides that, over its lifetime, a business may receive a maximum of 2 such awards.

LRB104 11458 HLH 21546 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by changing Section 605-1055 as follows:

7 (20 ILCS 605/605-1055)

8 Sec. 605-1055. Illinois SBIR/STTR Matching Funds Program.

9 (a) There is established the Illinois Small Business
10 Innovation Research (SBIR) and Small Business Technology
11 Transfer (STTR) Matching Funds Program to be administered by
12 the Department. In order to foster job creation and economic
13 development in the State, the Department may make grants to
14 eligible businesses to match funds received by the business as
15 an SBIR or STTR Phase I award and to encourage businesses to
16 apply for Phase II awards.

17 (b) In order to be eligible for a grant under this Section,
18 a business must satisfy all of the following conditions:

19 (1) The business must be a for-profit, Illinois-based
20 business. For the purposes of this Section, an
21 Illinois-based business is one that has its principal
22 place of business in this State;

23 (2) The business must have received an SBIR/STTR Phase

1 I award from a participating federal agency in response to
2 a specific federal solicitation. To receive the full
3 match, the business must also have submitted a final Phase
4 I report, demonstrated that the sponsoring agency has
5 interest in the Phase II proposal, and submitted a Phase
6 II proposal to the agency.

7 (3) The business must satisfy all federal SBIR/STTR
8 requirements.

9 (4) The business shall not receive concurrent funding
10 support from other sources that duplicates the purpose of
11 this Section.

12 (5) The business must certify that at least 51% of the
13 research described in the federal SBIR/STTR Phase II
14 proposal will be conducted in this State and that the
15 business will remain an Illinois-based business for the
16 duration of the SBIR/STTR Phase II project.

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

19 (c) The Department may award grants to match the funds
20 received by a business through an SBIR/STTR Phase I proposal
21 up to a maximum of \$75,000 ~~\$50,000~~. Seventy-five percent of
22 the total grant shall be remitted to the business upon receipt
23 of the SBIR/STTR Phase I award and application for funds under
24 this Section. Twenty-five percent of the total grant shall be
25 remitted to the business upon submission by the business of
26 the Phase II application to the funding agency and acceptance

1 of the Phase I report by the funding agency. A business may
2 receive only one grant under this subsection ~~Section~~ per year.
3 A business may receive only one grant under this subsection
4 ~~Section~~ with respect to each federal proposal submission. Over
5 its lifetime, a business may receive a maximum of 5 awards
6 under this subsection ~~Section~~.

7 (c-5) The Department may award grants to match the funds
8 received by a business through an SBIR/STTR Phase II proposal
9 up to a maximum of \$250,000. Fifty percent of the total grant
10 shall be remitted to the business upon receipt of the
11 SBIR/STTR Phase II award and application for funds under this
12 Section. Fifty percent of the total grant shall be remitted to
13 the business upon submission by the business of the Phase II
14 final report to the federal funding agency. A business may
15 receive only one grant under this subsection per year. A
16 business may receive only one grant under this subsection with
17 respect to each federal proposal submission. Over its
18 lifetime, a business may receive a maximum of 2 awards under
19 this subsection.

20 (d) A business shall apply, under oath, to the Department
21 for a grant under this Section on a form prescribed by the
22 Department that includes at least all of the following:

23 (1) the name of the business, the form of business
24 organization under which it is operated, and the names and
25 addresses of the principals or management of the business;

26 (2) an acknowledgment of receipt of the Phase I report

1 and Phase II proposal by the relevant federal agency; and
2 (3) any other information necessary for the Department
3 to evaluate the application.
4 (Source: P.A. 101-657, eff. 3-23-21; 102-813, eff. 5-13-22.)