

116TH CONGRESS  
1ST SESSION

# H. R. 4931

To establish a competitive grant program within the Department of Commerce to support nationwide growth and success of business incubators.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 30, 2019

Mr. RYAN introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish a competitive grant program within the Department of Commerce to support nationwide growth and success of business incubators.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Incubator Act of  
5 2019”.

6 **SEC. 2. BUSINESS INCUBATOR GRANT PROGRAM.**

7 (a) ESTABLISHMENT.—The Department of Com-  
8 merce, acting through the Assistant Secretary of Com-

1 merce for Economic Development, shall establish and  
2 carry out a competitive grant program to provide financial  
3 assistance to support the growth and success of business  
4 incubators.

5 (b) APPLICATION.—An eligible applicant desiring a  
6 grant under this section shall submit to the Assistant Sec-  
7 retary for the program established under subsection (a)  
8 an application at such time, in such manner, and con-  
9 taining such information as the Assistant Secretary may  
10 require.

11 (c) AWARDING OF GRANTS.—In awarding grants  
12 under this section, the Assistant Secretary shall—

13 (1) consider factors such as population, unem-  
14 ployment level, and business creation metrics to en-  
15 sure that the program addresses demonstrated needs  
16 and achieves high impact; and

17 (2) ensure grants are made broadly available to  
18 eligible applicants from all States to promote busi-  
19 ness incubator development nationwide.

20 (d) MAXIMUM ALLOWABLE AMOUNT FOR EACH  
21 STATE.—The maximum amount awarded to eligible appli-  
22 cants in a single State in a fiscal year under this section  
23 may not exceed \$5,000,000.

24 (e) USE OF FUNDS.—An entity receiving a grant  
25 under this section may use grant amounts for operating

1 expenses and may not use such amounts for capital ex-  
2 penditures.

3 (f) PRIORITY OF AWARDEES.—In providing funds  
4 awarded under this section, the Assistant Secretary shall  
5 prioritize applications from eligible applicants that are lo-  
6 cated in an opportunity zone.

7 (g) TERMS.—

8 (1) AMOUNT.—A grant awarded under this sec-  
9 tion shall not be more than \$500,000 for each fiscal  
10 year.

11 (2) DURATION.—A grant shall be awarded for  
12 a period not to exceed 4 years.

13 (3) SUBSEQUENT AWARD.—Upon the expiration  
14 of a grant awarded under this section, the grant re-  
15 cipient is eligible to apply for an additional grant.

16 (4) SUPPLEMENT NOT SUPPLANT.—None of the  
17 funds made available to an entity under this section  
18 shall supplant any funds provided by a State for the  
19 operating expenses of an incubator.

20 (h) PROGRAM IMPACTS AND REPORTING.—

21 (1) METHODS AND METRICS.—The Assistant  
22 Secretary shall develop methods and metrics to—

23 (A) assess the impacts of the program; and

24 (B) evaluate the ongoing success of busi-  
25 ness incubators funded under this section.

1           (2) REPORT.—Not later than the last day of  
2 each fiscal year, the Assistant Secretary shall submit  
3 to Congress, and make available to the public on an  
4 internet website, a comprehensive annual report on  
5 the awards, status, and impacts of the program, in-  
6 cluding key program highlights and success stories  
7 for the most recent fiscal year.

8 (i) DEFINITIONS.—In this Act:

9           (1) ASSISTANT SECRETARY.—The term “Assist-  
10 ant Secretary” means the Assistant Secretary of  
11 Commerce for Economic Development of the Depart-  
12 ment of Commerce.

13           (2) BUSINESS INCUBATOR.—The term “busi-  
14 ness incubator” means an organization that—

15                   (A) provides physical workspace and facili-  
16 ties resources to startups and established busi-  
17 nesses; and

18                   (B) is designed to accelerate the growth  
19 and success of businesses through a variety of  
20 business support resources and services, includ-  
21 ing—

22                           (i) access to capital, business edu-  
23 cation, and counseling;

24                           (ii) networking opportunities;

25                           (iii) mentorship opportunities; and

1 (iv) other services intended to aid in  
2 developing a business.

3 (3) OPPORTUNITY ZONE.—The term “oppor-  
4 tunity zone” has the meaning given the term quali-  
5 fied opportunity zone in section 1400Z–1 of the In-  
6 ternal Revenue Code of 1986.

7 (4) ELIGIBLE APPLICANT.—The term “eligible  
8 applicant” means a person that—

9 (A) owns or manages an existing business  
10 incubator that is a nonprofit organization;

11 (B) is able to provide the physical work-  
12 space, equipment, and connectivity necessary  
13 for businesses and entrepreneurs to collaborate  
14 and conduct business on a local, regional, na-  
15 tional, and international level; and

16 (C) has been operational for not less than  
17 1 year before receiving a grant under this sec-  
18 tion.

19 (5) STATE.—The term “State” means each  
20 State of the United States, the District of Columbia,  
21 each commonwealth, territory or possession of the  
22 United States, and each federally recognized Indian  
23 Tribe.

24 (6) NONPROFIT ORGANIZATION.—The term  
25 “nonprofit organization” means an organization that

1 is described under section 501(e) of the Internal  
2 Revenue Code of 1986 and exempt from tax under  
3 section 501(a) of such Code.

4 (j) AUTHORIZATION OF APPROPRIATIONS.—There  
5 are authorized to be appropriated to carry out this Act,  
6 \$50,000,000 for each of fiscal years 2020 through 2025.

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