

SENATE BILL 302

C8

5lr2065
CF HB 1450

By: **Senator Lam**

Introduced and read first time: January 13, 2025

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 11, 2025

CHAPTER _____

1 AN ACT concerning

2 **Maryland Small Business Innovation Research and Technology Transfer**
3 **Incentive Program – Alterations**

4 FOR the purpose of repealing certain provisions of law specifying certain limitations on
5 awards or investments provided to certain small businesses under the Maryland
6 Small Business Innovation Research and Technology Transfer Incentive Program;
7 and generally relating to the Maryland Small Business Innovation Research and
8 Technology Transfer Incentive Program.

9 BY repealing and reenacting, without amendments,
10 Article – Economic Development
11 Section 10–474(a) and (b)
12 Annotated Code of Maryland
13 (2024 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Economic Development
16 Section 10–476
17 Annotated Code of Maryland
18 (2024 Replacement Volume and 2024 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

21 **Article – Economic Development**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 10-474.

2 (a) There is a Maryland Small Business Innovation Research and Technology
3 Transfer Incentive Program.

4 (b) The Corporation shall administer the Program.

5 10-476.

6 (a) An applicant shall submit an application for a Program award or investment
7 on the form that the Corporation requires.

8 (b) The Program shall review the application and all supporting materials to
9 evaluate whether the applicant qualifies for an award or investment from the Program.

10 (c) (1) Subject to the availability of money in the Fund and paragraph (2) of
11 this subsection, the Program may provide to an eligible small business an award or
12 investment to match in part a small business innovation research award or small business
13 technology transfer award.

14 (2) The Program shall prioritize providing awards and investments to
15 eligible small businesses that are engaged in research and development activities that
16 assist in the prevention of, preparedness for, or response to a public health crisis in the
17 State.

18 (d) [Except as provided in subsection (f) of this section, a small business that
19 receives an award or investment for a Phase I small business innovation research award
20 or small business technology transfer award shall receive an award or investment in an
21 amount that is the lesser of:

22 (1) 25% of the Phase I small business innovation research award or small
23 business technology transfer award; or

24 (2) \$25,000.

25 (e) Except as provided in subsection (f) of this section, a small business that
26 receives an award or investment for a Phase II small business innovation research award
27 or small business technology transfer award shall receive an award or investment in an
28 amount that is the lesser of:

29 (1) 25% of the Phase II small business innovation research award or small
30 business technology transfer award; or

31 (2) \$75,000.

(f) On the recommendation of the Executive Director, the Board may approve an award or investment in a small business in excess of the limitations specified under subsections (d) and (e) of this section if the Board determines that the award is necessary to better serve the community and the purposes of the Program.

(g) During each fiscal year:

(1) the Corporation may not provide more than 20 awards or investments in accordance with subsection (d) of this section or more than 10 awards or investments in accordance with subsection (e) of this section; and

(2) a small business may not receive more than one award or investment.

(h)] A small business may not receive:

(1) MORE THAN ONE AWARD OR INVESTMENT DURING EACH FISCAL YEAR; AND

(2) more than three awards or investments under this part.

[(i)] (E) (1) Subject to paragraph (2) of this subsection, each quarter, the Corporation shall provide awards and investments on a competitive basis to eligible small businesses.

(2) In providing an award or investment under this section, the Corporation:

(i) shall consider:

1. the impact of the award or investment on the small business; and

2. how the small business will utilize the award or investment toward commercialization of the research conducted by the small business; and

(ii) may consider any additional criteria specified by the Corporation in regulation.

[(j)] (F) The Program shall coordinate with comparable State and county programs to:

(1) conduct marketing and outreach, including conducting joint workshops, online training opportunities, and outreach to economically disadvantaged small businesses, minority-owned small businesses, women-owned small businesses, rural small businesses, and first-time small business innovation research award or small business technology transfer award applicants; and

1 (2) provide assistance to eligible businesses under this part.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
3 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.