

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 1209 (Delegate Barve. *et al.*)
Economic Matters

Maryland Science, Engineering, and Technology Development Corporation

This bill changes the name of the Maryland Science, Engineering, and Technology Development Corporation (MSETDCo) to the Maryland Technology Development Corporation (TEDCO). Also, the bill increases the number of members and alters the composition of the membership of the Board of Directors of TEDCO.

TEDCO may make grants to or provide equity investment financing for technology-based businesses; may engage any necessary accountants, engineers, financial advisors, consultants, or attorneys; and may fix, revise, and collect royalties. Further, the bill provides that a custodian may deny inspection of that part of a public record that contains information disclosing or relating to a trade secret, confidential commercial information, or confidential financial information owned in whole or in part by TEDCO.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: The proposed FY 2001 State budget includes \$2.5 million for the corporation. The corporation would not require additional funding beyond that which is already budgeted. However, future year revenues could increase from the collection of royalties.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: MSETDCo was established in 1998 to stimulate the creation of and investment in new scientific research and technologies for economic development in the State. MSETDCo is designed to assist in the transfer and commercialization of the products of scientific research and development conducted by universities to the private sector and the commercialization of technology development for the purpose of creating and sustaining businesses in the State. It is not authorized to provide grants.

State Fiscal Effect: In fiscal 2000, the first year of funding, the corporation was funded with a \$642,000 grant from the Department of Business and Economic Development. The corporation has used its funding to: establish a website so that the State's technology organizations have access to a centralized database of technology information; conduct studies of best practices in business incubation; and pursue other activities to accomplish its purpose of facilitating the commercialization of technology development.

The Governor's proposed fiscal 2001 budget includes \$2.5 million for the corporation. The bill simply alters how the corporation may use its funds by authorizing the corporation to pay for specified administrative expenses or to make grants to or provide equity investment financing for technology-based businesses to further advance its goals. It is not expected that the bill will result in the need for any additional funding for TEDCO. However, to the extent that the corporation collects royalties as a result of equity investments, revenues could increase in future years.

Any expense reimbursements for additional board members are assumed to be minimal and absorbable within existing budgeted resources.

Small Business Effect: The bill allows the corporation to make grants to or provide equity investment financing for technology-based businesses. Such investments could provide essential funding for small high-tech businesses that sometimes find access to capital difficult.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development, Department of Legislative Services

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