

HB0654/325069/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 654
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “**Program**” insert “– Alterations”; in line 4, strike “establishing” and substitute “altering the definitions of “small business innovation research grant” and “small business technology transfer grant” for purposes of”; in line 5, after “Program;” insert “altering the circumstances under which a certain award or investment recipient may be required to return certain funds; requiring the Program to prioritize providing awards to certain eligible small businesses; expanding the types of small business to which the Program, in coordination with certain programs, is required to conduct certain marketing and outreach; making conforming changes; making a technical correction;”; strike beginning with “requiring” in line 5 down through “terms;” in line 21; and after line 23, insert:

“BY repealing and reenacting, with amendments,

Article – Economic Development

Section 10–473 through 10–475, 10–476(c) through (e) and (j), and 10–477(f)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

(As enacted by Chapters 8 and 25 of the Acts of the General Assembly of 2021)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 10–476(a) and (b) and 10–477(a)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

(As enacted by Chapters 8 and 25 of the Acts of the General Assembly of 2021)”.

On pages 1 and 2, strike in their entirety the lines beginning with line 24 on page 1 through line 15 on page 2, inclusive.

(Over)

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AMENDMENT NO. 2

On page 2, after line 18, insert:

“10-473.

(a) In this part the following words have the meanings indicated.

(b) “Fund” means the Maryland Small Business Innovation Research and Technology Transfer Incentive Matching Fund.

(c) “Program” means the Maryland Small Business Innovation Research and Technology Transfer Incentive Program.

(d) “Small business innovation research [grant] AWARD” means [a grant awarded under the Small Business Innovation Research grant program by the National Institutes of Health, or a similar program administered by another] AN AWARD PROVIDED UNDER A SMALL BUSINESS INNOVATION RESEARCH AWARD PROGRAM BY AN agency of the federal government[,] for a business to engage in research and development that has a strong potential for commercialization.

(e) “Small business technology transfer [grant] AWARD” means [a grant awarded under the Small Business Technology Transfer grant program by the National Institutes of Health, or a similar program administered by another] AN AWARD PROVIDED UNDER A SMALL BUSINESS TECHNOLOGY TRANSFER AWARD PROGRAM BY AN agency of the federal government[,] for a business to engage in research and development that has a strong potential for commercialization.

10-474.

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

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(b) The Corporation shall administer the Program.

(c) The purpose of the Program is to foster job creation and economic development in the State by:

(1) promoting the commercialization of research conducted by small businesses in the State;

(2) facilitating the transfer of technology from universities and federal research laboratories to small businesses; and

(3) encouraging small businesses, including economically disadvantaged small businesses, to apply for small business innovation research [grants] AWARDS and small business technology transfer [grants] AWARDS.

10-475.

(a) To qualify for participation in the Program, a small business shall meet the criteria in this section.

(b) The small business shall:

(1) meet the qualifications of a qualified business; and

(2) have received a Phase I or Phase II small business innovation research [grant] AWARD or small business technology transfer [grant, or a similar grant under a similar program administered by an agency of the federal government,] AWARD during the 6 months immediately preceding the submission of its application under [§ 10-499.3] § 10-476 of this part.

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(c) An award or investment recipient that fails to fulfill the eligibility and maintenance requirements of the Program may be required to return all or part of the award or investment, as well as any accrued interest or fees, to the Program.

(d) The Program shall require an award or investment recipient to return to the Fund any money from an award or investment under this part, as well as any accrued interest or fees, if the recipient does not remain [in the State] A QUALIFIED BUSINESS for at least 2 years after receiving the award or investment payment.

10-476.

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

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

(c) (1) Subject to the availability of money in the Fund AND PARAGRAPH (2) OF THIS SUBSECTION, the Program may provide to an eligible small business an award or investment to match in part a small business innovation research [grant] AWARD or small business technology transfer [grant] AWARD.

(2) THE PROGRAM SHALL PRIORITIZE PROVIDING AWARDS AND INVESTMENTS TO ELIGIBLE SMALL BUSINESSES THAT ARE ENGAGED IN RESEARCH AND DEVELOPMENT ACTIVITIES THAT ASSIST IN THE PREVENTION OF, PREPAREDNESS FOR, OR RESPONSE TO A PUBLIC HEALTH CRISIS IN THE STATE.

(d) Except as provided in subsection (f) of this section, a small business that receives an award or investment for a Phase I small business innovation research [grant] AWARD or small business technology transfer [grant, or a similar grant under

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a similar program administered by an agency of the federal government,] AWARD shall receive an award or investment in an amount that is the lesser of:

(1) 25% of the Phase I small business innovation research [grant] AWARD or small business technology transfer [grant, or a similar grant under a similar program administered by an agency of the federal government] AWARD; or

(2) \$25,000.

(e) Except as provided in subsection (f) of this section, a small business that receives an award or investment for a Phase II small business innovation research [grant] AWARD or small business technology transfer [grant, or a similar grant under a similar program administered by an agency of the federal government,] AWARD shall receive an award or investment in an amount that is the lesser of:

(1) 25% of the Phase II small business innovation research [grant] AWARD or small business technology transfer [grant, or a similar grant under a similar program administered by an agency of the federal government] AWARD; or

(2) \$75,000.

(j) 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, **WOMEN-OWNED SMALL BUSINESSES, RURAL SMALL BUSINESSES**, and first-time small business innovation research [grant] AWARD or small business technology transfer [grant] AWARD applicants; and

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

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10-477.

(a) There is a Maryland Small Business Innovation Research and Technology Transfer Incentive Matching Fund.

(f) The Fund may be used only for:

(1) providing awards or investments to eligible small businesses that have received financial assistance from the federal government under comparable small business innovation research or small business technology transfer [grant] AWARD programs; and

(2) administrative expenses of the Program, including marketing, outreach, and technical assistance.”.

On pages 2 through 8, strike in their entirety the lines beginning with line 19 on page 2 through line 6 on page 8, inclusive.