

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 195 (Chairman, Commerce and Government Matters Committee)
(Departmental - University System of Maryland)

Commerce and Government Matters

Higher Education - Promoting Commercial Potential of Inventions of Public Higher Education Institutions

This departmental bill provides that, with certain exceptions, a custodian may deny inspection of that part of a public record that contains information disclosing or relating to an invention owned in whole or in part by a State public institution of higher education for 4 years to permit the institution to evaluate whether to patent or market the invention and pursue economic development and licensing opportunities related to the invention.

Fiscal Summary

State Effect: Potential indeterminate increase in revenues for public colleges and universities in future years. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: The University System of Maryland has determined that this bill has minimal or no impact on small business (attached). Legislative Services generally concurs with this assessment, but notes that small businesses could be adversely affected if the bill prevents small businesses from appropriating and profiting from information about university inventions.

Fiscal Analysis

State Revenues: To the extent that this bill prevents outsiders from obtaining information about inventions created in connection with academic research projects, the ability of public colleges and universities to obtain revenues derived from patenting and licensing activities would be enhanced. Revenues derived from patenting and licensing activities by State public colleges and universities are currently estimated at approximately \$1,450,000 annually. This revenue source is expected to grow in importance in the future. The precise impact that this bill would have on increasing and/or preserving this revenue source cannot be determined at this time. The University System of Maryland advises that it has not heretofore had a problem with outsiders usurping invention rights.

Information Source(s): University System of Maryland, Department of Legislative Services

Fiscal Note History: First Reader - February 8, 1999

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