

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 59

(Senator Lenett)

Finance

The Stem Cell Research Enhancement Act of 2007

This bill requires the Stem Cell Research Commission to place a priority on funding embryonic stem cell research.

Fiscal Summary

State Effect: None. The change would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: To the extent that the bill results in more grants being awarded to researchers conducting embryonic stem cell research than it otherwise would, there would be a meaningful impact for those researchers.

Analysis

Current Law: Chapter 19 of 2006 created the Maryland Stem Cell Research Fund to promote State-funded stem cell research and cures through grants and loans to public and private entities in Maryland. Research may be conducted on any unused material related to fertility treatments, except for female germ cells or eggs, or on adult stem cells.

Chapter 19 also created the independent Stem Cell Research Commission under the Maryland Technology Development Corporation (TEDCO). The commission must contract with an independent scientific peer review committee of scientifically recognized stem cell research experts. An independent scientific peer review committee will evaluate stem cell research proposals for the commission. An applicant for

State-funded stem cell research must first obtain an institutional review board's approval before receiving funding.

Background:

Maryland Stem Cell Commission

TEDCO's fiscal 2007 budget includes \$15 million for the Maryland Stem Cell Research Fund to award stem cell research grants. The Maryland Stem Cell Commission has received 85 applications for grants to fund research using adult, embryonic, cord blood, and cancer stem cells. The grants are expected to fund basic or translational research with human stem cells of all types. To date, no grants have been awarded. The commission is scheduled to decide which grants will be awarded in March.

Grant applications are currently required to include a description of how the proposed research may contribute to the development, expansion, or improvement of biotechnology operations or capabilities in Maryland.

Stem Cell Research

There are two categories of stem cells: adult stem cells (*e.g.*, those derived from specific human tissues such as skin cells); and embryonic stem cells. Embryonic research, including stem cell research, involves the destruction of a fertilized ovum. Embryonic stem cells currently hold the most promise for research but also are more controversial because of their source: fetal tissue; surplus embryos from in vitro fertility procedures; and embryos created by techniques utilized in human cloning technology – somatic cell nuclear transfer.

In August 2001, President Bush limited federal funding for embryonic stem cell research of existing embryonic stem cell lines. Such stem cells are derived from unused embryos from in vitro fertilization donated for research purposes. A Stem Cell Registry maintained by the National Institutes of Health lists the 78 stem cell lines that are eligible for federal funding. In addition, President Bush maintained the ban on federal funds for research involving the destruction or creation of embryos. However, such research can continue with the use of private funds, within the bounds of state law. The President's Council on Bioethics continues to study and advise the President on the issue of stem cell research.

A bill that would require the Secretary of Health and Human Services to conduct and support research utilizing human embryonic stem cells, regardless of the date the stem cells were derived from a human embryo under specified conditions was passed by the

U.S. House of Representatives on January 11, 2007. Under H.R. 3, embryos used for research must have been donated from in vitro fertilization clinics and created for fertility treatment. The donated embryos must exceed the needs of the individuals seeking fertility treatment and would otherwise be discarded. Individuals donating the embryos must provide written informed consent to the donation and must not be provided with any financial or other inducements to make the donation. The bill was placed on the Senate legislative calendar. No further action has been taken.

State Expenditures: The Governor's proposed fiscal 2008 budget for TEDCO includes \$25 million to fund stem cell research. The bill's requirement that the Stem Cell Research Commission place a priority on funding embryonic stem cell research would not affect overall funding.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development; Maryland Technology Development Corporation; "House Passes Bill for Stem Cell Research," *Washington Post*, January 11, 2007; Congressional Research Service; Department of Legislative Services

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