

SENATE BILL 680

C8

8lr2474

By: **Senator Kittleman**

Introduced and read first time: February 1, 2008

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Small Business Innovation Research Matching Funds Program**

3 FOR the purpose of establishing the Maryland Small Business Innovation Research
4 Matching Funds Program in the Technology Economic Development
5 Corporation; requiring the Corporation to award certain matching grants to
6 certain recipients of certain federal program grants in a certain manner;
7 authorizing the Corporation to award matching grants using certain funds;
8 requiring an applicant for Program matching funds to submit a certain
9 application form and pay a nonrefundable fee established by regulation;
10 requiring the Program application form to include certain information;
11 establishing a maximum grant amount; limiting the number of matching grants
12 a business may receive; requiring the Corporation to submit a certain annual
13 report; requiring the Corporation to adopt certain regulations in a certain
14 manner; stating the purpose of the Program; and generally relating to the
15 Maryland Small Business Innovation Research Matching Funds Program.

16 BY adding to

17 Article – Economic Development

18 Section 10–445 through 10–452 to be under the new part “Part IV. Maryland
19 Small Business Innovation Research Matching Funds Program”

20 Annotated Code of Maryland

21 (As enacted by Chapter ___ (H.B. ___)(8lr0698) of the Acts of the General
22 Assembly of 2008)

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

25 **Article – Economic Development**

26 **10–442. RESERVED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **10-443. RESERVED.**

2 **PART IV. MARYLAND SMALL BUSINESS INNOVATION RESEARCH MATCHING**
3 **FUNDS PROGRAM.**

4 **10-445.**

5 (A) IN THIS PART THE FOLLOWING TERMS HAVE THE MEANINGS
6 INDICATED.

7 (B) "PROGRAM" MEANS THE MARYLAND SMALL BUSINESS
8 INNOVATION RESEARCH MATCHING FUNDS PROGRAM ESTABLISHED UNDER
9 THIS PART.

10 (C) "SBIR" MEANS THE FEDERAL SMALL BUSINESS INNOVATION
11 RESEARCH PROGRAM ADMINISTERED BY THE UNITED STATES SMALL
12 BUSINESS ADMINISTRATION.

13 **10-446.**

14 (A) THERE IS A MARYLAND SMALL BUSINESS INNOVATION RESEARCH
15 MATCHING FUNDS PROGRAM.

16 (B) THE CORPORATION SHALL ADMINISTER THE PROGRAM.

17 (C) THE PURPOSES OF THE PROGRAM ARE TO:

18 (1) INCREASE THE AMOUNT OF FEDERAL RESEARCH REVENUE
19 RECEIVED BY STATE SMALL BUSINESSES AND THEREBY FOSTER JOB CREATION
20 AND STIMULATE ECONOMIC DEVELOPMENT IN THE STATE;

21 (2) ASSIST STATE COMPANIES TO BRIDGE THE FUNDING GAP
22 PERIOD BETWEEN THE FINAL PHASE I PAYMENT AND THE FIRST PHASE II
23 PAYMENT IN SBIR;

24 (3) INCREASE THE SUCCESS RATE AND MAXIMIZE THE GROWTH
25 OF STATE SMALL BUSINESSES IN MOVING FROM SBIR PHASE I TO PHASE II;
26 AND

27 (4) PROMOTE THE ESTABLISHMENT AND GROWTH OF
28 HIGH-QUALITY, ADVANCED TECHNOLOGY FIRMS IN THE STATE.

29 **10-447.**

1 **(A) THE CORPORATION SHALL AWARD MATCHING GRANTS UNDER THIS**
2 **PART TO FURTHER THE PURPOSES STATED IN § 10-446 (C) OF THIS SUBTITLE.**

3 **(B) THE CORPORATION MAY AWARD MATCHING GRANTS USING**
4 **MONEYS PROVIDED BY:**

5 **(1) THE STATE;**

6 **(2) THE FEDERAL GOVERNMENT; OR**

7 **(3) A NONGOVERNMENTAL ENTITY.**

8 **10-448.**

9 **TO APPLY FOR A MATCHING GRANT, AN APPLICANT SHALL:**

10 **(1) SUBMIT TO THE CORPORATION UNDER OATH AN APPLICATION**
11 **ON THE FORM PROVIDED BY THE CORPORATION; AND**

12 **(2) PAY TO THE CORPORATION A NONREFUNDABLE APPLICATION**
13 **FEE ESTABLISHED BY REGULATION.**

14 **10-449.**

15 **THE APPLICATION SHALL REQUIRE THE APPLICANT TO SUBMIT TO THE**
16 **CORPORATION:**

17 **(1) THE NAME OF THE BUSINESS;**

18 **(2) THE FORM OF BUSINESS ORGANIZATION UNDER WHICH THE**
19 **BUSINESS IS OPERATED;**

20 **(3) THE NAMES AND ADDRESSES OF THE PRINCIPALS OR**
21 **MANAGEMENT OF THE BUSINESS;**

22 **(4) PROOF THAT THE BUSINESS:**

23 **(I) RECEIVED A SBIR PHASE I AWARD FROM A**
24 **PARTICIPATING FEDERAL AGENCY IN RESPONSE TO A SPECIFIC FEDERAL**
25 **SOLICITATION NO MORE THAN 2 YEARS PRIOR TO THE PROGRAM APPLICATION**
26 **SUBMISSION DATE;**

27 **(II) SUBMITTED A SBIR PHASE II APPLICATION TO A**
28 **PARTICIPATING AGENCY;**

1 (III) 1. HAS BEEN INVITED BY A PARTICIPATING FEDERAL
2 AGENCY TO NEGOTIATE FOR PHASE II; OR

3 2. HAS FILED A FAST-TRACK APPLICATION FOR
4 PHASE II; AND

5 (IV) HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE;

6 (5) AN AGREEMENT TO:

7 (I) OPERATE IN THE STATE FOR AT LEAST 1 YEAR AFTER
8 RECEIPT OF A PROGRAM MATCHING GRANT;

9 (II) CONDUCT AT LEAST 51% OF THE RESEARCH
10 DESCRIBED IN THE PHASE II APPLICATION IN THE STATE; AND

11 (III) REFRAIN FROM ACCEPTING CONCURRENT FUNDING
12 SUPPORT FROM OTHER SOURCES THAT DUPLICATES THE PURPOSES STATED IN
13 § 10-446(C) OF THIS SUBTITLE; AND

14 (6) ANY OTHER INFORMATION NECESSARY FOR THE
15 CORPORATION TO EVALUATE THE APPLICATION.

16 10-450.

17 (A) THE CORPORATION MAY AWARD GRANTS TO MATCH THE FUNDS
18 RECEIVED BY A BUSINESS THROUGH A SBIR PHASE I PROPOSAL UP TO A
19 MAXIMUM OF \$50,000.

20 (B) OF THE TOTAL GRANT MONEY AWARDED UNDER SUBSECTION (A) OF
21 THIS SECTION:

22 (1) 75% SHALL BE REMITTED TO THE BUSINESS ON RECEIPT OF
23 THE SBIR PHASE I AWARD AND THE APPLICATION FOR FUNDS UNDER THIS
24 PART; AND

25 (2) 25% SHALL BE REMITTED TO THE BUSINESS ON SUBMISSION
26 BY THE BUSINESS OF THE PHASE II APPLICATION TO THE FUNDING AGENCY
27 AND ACCEPTANCE OF THE PHASE I REPORT BY THE FUNDING AGENCY.

28 (C) A BUSINESS MAY RECEIVE ONLY ONE MATCHING GRANT UNDER
29 THIS SECTION FOR EACH SEPARATE SBIR PROPOSAL.

1 (D) A BUSINESS MAY NOT RECEIVE MORE THAN FIVE MATCHING
2 GRANTS UNDER THIS SECTION.

3 **10-451.**

4 (A) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE CORPORATION
5 SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF
6 THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE
7 ADMINISTRATION OF THE PROGRAM AND THE ADVANCEMENT OF THE
8 PURPOSES STATED IN § 10-446(C) OF THIS SUBTITLE.

9 (B) THE REPORT SHALL IDENTIFY:

10 (1) EACH GRANTEE THAT RECEIVED FUNDING FROM THE
11 PROGRAM;

12 (2) THE AMOUNT OF FUNDING AWARDED TO EACH GRANTEE; AND

13 (3) A DESCRIPTION OF THE SBIR PHASE II ACTIVITY
14 CONDUCTED IN THE STATE.

15 **10-452.**

16 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE CORPORATION
17 SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROGRAM AND OTHERWISE
18 CARRY OUT THE PROVISIONS OF THIS PART.

19 (B) PRIOR TO THE ADOPTION OF REGULATIONS UNDER SUBSECTION (A)
20 OF THIS SECTION, THE CORPORATION SHALL:

21 (1) STUDY THE LAWS AND REGULATIONS OF OTHER STATES; AND

22 (2) SOLICIT ADVICE AND INPUT FROM THE UNITED STATES
23 SMALL BUSINESS ADMINISTRATION.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2008.