

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1309
Ways and Means
(Delegate Mangione)

**Economic Development - Maryland Small Business Innovation Research
Technical Assistance Program - Alterations**

This bill expands the purpose of the Maryland Small Business Innovation Research Technical Assistance Program to include assisting small businesses with attracting and accessing private capital.

Fiscal Summary

State Effect: The Maryland Technology Development Corporation (TEDCO) can handle the bill's requirements with existing resources. Revenues are not affected.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: Chapters 231 and 232 of 2020 established the Maryland Small Business Innovation Research Technical Assistance Program. The program is administered by TEDCO, although TEDCO is authorized to procure a nonprofit organization located in the State to provide services under the program. The purpose of the program is to provide technical assistance to small businesses in the State by:

- encouraging small businesses, including economically disadvantaged small businesses, to apply for grants under the federal Small Business Innovation Research and Technology Transfer programs; and

- providing grant applicants with technical assistance, including training assistance and assessments through Phases 0, I, and II of development, as those phases are defined.

To qualify for participation, a small business must (1) have its principal business operations located in the State, have more than half of its workforce working in the State, and intend to maintain its principal business operations in the State; and (2) have no more than 50 employees. TEDCO may also adopt regulations establishing additional eligibility criteria.

TEDCO is an independent entity established by the Maryland General Assembly in 1998 to facilitate the creation of technology companies and encourage collaboration between these emerging businesses and federal and State research laboratories. TEDCO also aims to promote new research activity and investments that lead to business development in Maryland. One of TEDCO's several stated statutory purposes is to create pathways to follow-on financing in the State.

State Expenditures: The Governor's proposed fiscal 2022 budget does not include general funds for the technical assistance program in its first year of existence; however, TEDCO advises that it received a federal grant of \$125,000 for the program and is using that money instead. Regardless, TEDCO can handle the bill's requirements with existing resources.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Technology Development Corporation; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2021
an/vlg

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510