



TO: The Honorable Anne R. Kaiser, Chair
Members, House Ways and Means Committee
The Honorable Lily Qi

FROM: Richard A. Tabuteau
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DATE: February 20, 2020

RE: **SUPPORT** – House Bill 514 – *Maryland Small Business Innovation Research and Technology Transfer Incentive Program*

The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support** for House Bill 514.

House Bill 514 establishes the Maryland Small Business Innovation Research and Technology Transfer Incentive Program administered by the Maryland Technology Development Corporation. The purpose of the fund is to foster job creation and economic development in the State by promoting the commercialization of research conducted by small businesses, facilitating the transfer of technology from universities and federal research laboratories to small businesses, and encouraging small businesses to apply for National Institutes of Health (NIH) Small Business Innovation Research (SBIR) Grants and Small Business Technology Transfer (STTR) Grants.

SBIR and STTR programs are designed to help small businesses gain federal support for their research and development efforts. In 2018, Maryland ranked fourth in both the number (247) and total value (\$132.9 million) in SBIR awards, after Virginia, Massachusetts, and California. Maryland ranked ninth in STTR awards received (29) and seventh in STTR funding (\$17.2 million). Currently, at least 15 states offer matching grant programs for SBIR and STTR awardees to help them reach the commercialization stage.

Under this bill, a Maryland-based small business that has received a Phase I or Phase II SBIR Grant or STTR Grant from NIH may apply for a matching grant under the State program. A small business with a NIH Phase I grant may receive a State matching grant amount that is the lesser of 25% of the NIH Phase I grant or \$25,000. A small business with a NIH Phase II grant may receive a State matching grant amount that is the lesser of 25% of the NIH Phase II grant or \$75,000.

With over 450 life science and technology member companies developing innovative solutions that save, protect, and improve lives, MTC supports the establishment of this Program, as it will spur the continued growth of our member companies and attract follow on funding from traditional private investors. With passage of House Bill 514, Maryland will join 15 other states, including Virginia, who have prioritized matching funds for SBIR Grants and STTR Grants. As such, MTC urges the House Ways and Means Committee to give House Bill 514 a favorable report.

For more information call:

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