



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 654 -- MARYLAND SMALL BUSINESS INNOVATION RESEARCH AND TECHNOLOGY TRANSFER INCENTIVE PROGRAM

Delegate Qi

February 4, 2021

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support

House Bill 654 establishes the Maryland Small Business Innovation Research and Technology Transfer Incentive Program to be administered by the Maryland Technology Development Corporation (TEDCO). The program's purpose is to foster job creation and economic development in Maryland by promoting commercialization, facilitating technology transfer, and encouraging small business to apply for Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grants. A similar bill was passed by the legislature in 2020 but vetoed by the governor.

The SBIR and STTR programs are one of the largest sources of early-stage capital for technology commercialization in the United States. These programs allow small businesses to engage in federal research and development that has a strong potential for commercialization. As an example of the programs' impact, in federal Fiscal Year 2018 the National Institute of Health's SBIR and STTR programs invested over one billion dollars into health and life science companies that are creating innovative technologies.

Providing a State matching grant to SBIR and STTR recipient companies accomplishes three important objectives. First, it enhances the potential to grow Maryland's innovation industry by translating promising technologies to the private sector that can eventually reach consumer markets. Second, it offers another source of capital to emerging companies that have already been deemed commercially viable by passing the rigorous SBIR and STTR standards. Third, a matching grant increases the likelihood that promising startup companies stay and grow in Maryland thanks to the increased availability of local capital.

This bill is consistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Strategic and effective investments in business growth. The State must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investments in industry growth.

Additionally, the GBC's *2021 Legislative Priorities* states:

Maintain state investment in Maryland's most innovative industries, including bioscience, cybersecurity, healthcare information technology, education technology, medical devices, and other

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cutting-edge industry sectors. Support and expand commercialization and technology transfer at the state's research universities.

House Bill 654 is consistent with this priority by creating an investment for Maryland's most innovative and promising startup companies.

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 654.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

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