

Proposed amendment to
Delivering Economic Competitiveness and Advancing Development Efforts (DECADE)
Act of 2026

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Rationale: While large enterprises have the expert personnel and financial resources to make strategic investments in innovation, few small businesses have the resources to do so. The resulting underinvestment in innovation stunts the growth of Maryland’s economy, inhibits the potential of small businesses, and impedes local universities and other technological resources from providing technological input and other developmental assistance to such small businesses. It is the intention of the general assembly to foster innovation in small businesses and increase demand for technological services by creating an innovation voucher program. This program will further advance the competitiveness of Maryland’s companies in the national and global economies and result in the creation and/or retention of jobs and tax revenues for the state.

Other states -- such as Illinois, Indiana, and Rhode Island -- have successfully deployed innovation vouchers as cost-effective interventions to advance their state’s competitiveness.

Amendment to the DECADE Act 2026

The Maryland Economic Development Corporation (“MEDCO”) is authorized to develop and implement a Maryland Innovation Voucher Program (“Program”) to provide financing to small businesses to purchase research and development support or other forms of technical assistance and services from Maryland institutions of higher education and other providers and to fund research and development by and for small business manufacturers.

Voucher award amounts to a selected applicant shall be determined by MEDCO, to be in the minimum amount of five thousand dollars (\$5,000)

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and the maximum amount of seventy-five thousand dollars (\$75,000), subject to appropriations. A business may receive only one innovation voucher under this Section per year.

MEDCO when administering the Program under this Section:

- (1) Must encourage participation among small and mid-sized businesses.
- (2) Must encourage participation in the Program in diverse geographic and economic areas, including urban, suburban, and rural areas of the State; and,
- (3) Must encourage participation in the Program from businesses that operate in key industries, as defined by MEDCO in consultation with Maryland's Technology Development Corporation (TEDCO). These industries include, but are not limited to, the following: (i) agribusiness and agritech; (ii) clean energy and energy efficiency; (iii) information technology, artificial intelligence, quantum computing, and robotics; (iv) life sciences and healthcare; (v) manufacturing; and (vi) transportation and logistics.

Vouchers available under this chapter shall be used for the benefit of small businesses to access technical assistance and other services including, but not limited to research, technological development, product development, commercialization, market development, technology exploration, and improved business practices that implement strategies to grow business and create operational efficiencies.

To be eligible for an innovation voucher under this Section, a business must satisfy all the following conditions:

- (1) the business must be a Maryland-based business.

For the purposes of this Section, "Maryland-based business" means a business that has its principal place of business in this State or that employs at least 100 full-time employees:

- (2) the business must remain in this State for the duration of research engagement.

(3) The partnering institution of higher education must be a Maryland-based institution of higher education and non-profit.

For the purposes of this Section, “Maryland-based institution of higher education” means an institution that has its main physical campus in this State.

MEDCO is hereby authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter, including the criteria by which voucher, invention incentive grant, and matching fund applications will be judged, awards will be approved, and vendors of services will be approved.

Program integrity being of paramount importance, MEDCO shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

MEDCO shall submit a report annually, no later than sixty (60) days after the end of the fiscal year to the speaker of the house and the president of the senate detailing: (1) the total amount of innovation vouchers awarded; (2) the number of innovation vouchers approved, (3) the amount of each voucher and a description of services purchased; and (4) such other information as MEDCO deems necessary.

No vouchers, grants, or incentives shall be authorized pursuant to this chapter after December 31, 2030.