



House Government, Labor, and Elections Committee
March 11, 2026

House Bill 1271 – *Reparations – Board, Fund, and Excise Tax on Endowments – Establishment*

POSITION: OPPOSE

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** for House Bill 1271.

This bill would create a Maryland Reparations Board and establish a state fund dedicated to financing reparations-related programs and grants. As drafted, this bill would affect only nonpublic institutions and impose a 4% excise tax on the endowment base of very large institutions.

MTC understands the importance of this bill's goals, but we are concerned about the potential downstream negative impacts on research and innovation in Maryland. University endowments are commonly used to fund things like faculty chairs and research professorships, research centers and labs, graduate fellowships, and startup funding for new scientific projects. The 4% excise tax on large endowments could reduce the amount of funding available for these important purposes.

For a research anchor like Johns Hopkins, this could potentially affect biomedical research, tech transfer and startups, and research hiring and labs. From the MTC’s perspective, Maryland’s innovation economy relies heavily on partnerships with large research universities. Pulling back on funding for research and tech transfer at a time when federal funding is also being cut through the National Institutes of Health (NIH) and other federal agencies could have a substantial negative impact on Maryland's innovation economy. Impacts could be felt through reduced seed funding for early-stage research, slowed expansion of research labs or centers, and affecting university partnerships with Maryland-based startups.

Because of our major research institutions and proximity to federal agencies like NIH, Maryland’s economy is uniquely driven by research and innovation. Placing an excise tax on the endowments of private institutions would reduce the resources available for research activities and weaken the capacity that has made Maryland one of the country’s leading hubs for biotechnology, life sciences, medical research, cybersecurity, and advanced engineering. Other impacts could be reduced startup formation, slower commercialization of new technologies, and less job growth in the innovation sector.

While the MTC respects policies aimed at addressing equity and historical injustice, the unintended impacts of this particular proposal on university endowments potentially jeopardize one of Maryland’s greatest economic strengths. We would encourage the legislature to examine alternative approaches that do not compromise research capacity and innovation. For these reasons, we respectfully request an **unfavorable** report on House Bill 1271.

For more information call:

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