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MONTGOMERY COUNTY COUNCIL

March 24, 2026

SUBJECT: FAVORABLE Testimony for HB0400/SB0247: Biotechnology Investment Incentive Tax Credit – Conversion to Grant Program

Dear Chair Wilkins, Vice Chair Feldmark, and Honorable Members of the Ways and Means Committee:

I am writing to strongly urge your support for **HB0400/SB0247: Biotechnology Investment Incentive Tax Credit - Conversion to Grant Program (BIITC)**. This important legislation, which has already passed the Senate unanimously, proposes converting a tax credit into a grant program administered by the Department of Commerce, and I recommend that this Committee advance it.

Montgomery County is a globally recognized life sciences hub, home to key institutions like the National Institutes of Health (NIH) and the Food and Drug Administration, as well as innovative companies along the I-270 corridor and White Oak Science Gateway. While we have a skilled workforce and strong infrastructure, access to capital for early-stage companies is crucial. SB 247 is essential for fostering our growth and success.

Through my work on the Economic Development Committee, I have engaged with numerous residents and entrepreneurs who are deeply involved in our life sciences corridor. Many have shared that the current tax credit structure, while intended to help, creates unnecessary hurdles that discourage and delay investment. Investors face a cumbersome year-end tax filing process to access their incentives, and pass-through entities encounter significant restrictions on how they can distribute life-saving benefits. This friction occurs precisely when early-stage companies need funding the most.

By transforming the BIITC into a grant that is disbursed within 90 days of qualifying investments, smaller funds and pass-through entities can access their benefits without delay, enabling them to invest in promising ventures immediately. The eligibility criteria will remain

the same, *offering 33 percent of a qualifying investment up to \$250,000, with enhanced rates for rural areas and enterprise zones*, aligning the program with the real-world operations of investors and entrepreneurs.

Furthermore, the Department of Legislative Services has confirmed that this measure will not increase overall State spending. The Comptroller's Office supports this initiative and believes it will streamline processes by removing an unnecessary validation step. The Maryland Chamber of Commerce also backs the bill, indicating broad support for this effective reform that enhances Maryland's competitiveness without incurring additional fiscal risk.

Maryland possesses the scientific and research prowess to be the global leader in biotech. Senate Bill 247 effectively lays the groundwork to provide a modern funding mechanism that adapts to current market conditions. I wholeheartedly urge you to support a favorable report for this bill, and thank you in advance for your partnership in ensuring the economic engine of our state works hand in glove with our Maryland Delegation to support the Maryland message further that we are indeed Open for Business.

Sincerely,

LAURIE-ANNE SAYLES
COUNCILMEMBER AT-LARGE