

HOUSE BILL 571

C8

11r0798

By: **Delegates Lee, Barve, Dumais, Feldman, Frick, Gutierrez, Guzzone, Huckler, Kipke, Luedtke, A. Miller, Minnick, Mizeur, Nathan-Pulliam, F. Turner, and V. Turner**

Introduced and read first time: February 9, 2011

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Biotech SBIR and STTR Bridge Program**

3 FOR the purpose of establishing a Maryland Biotech SBIR and STTR Bridge Program
4 to be administered by the Maryland Technology Development Corporation for
5 certain purposes; authorizing the Program to provide grants to certain eligible
6 biotechnology businesses; stating the purpose of the Program; establishing the
7 Maryland Biotech SBIR and STTR Bridge Fund as a special, nonlapsing fund
8 for certain purposes; providing for the administration, sources, and use of the
9 Fund; requiring a certain audit of the Fund; establishing application procedures
10 for grants under the Program; establishing certain limits on the number of
11 grants awarded; authorizing the Maryland Technology Development
12 Corporation to adopt certain regulations; expressing certain legislative intent
13 related to certain appropriations; and generally relating to the creation of a
14 program to promote biotechnology research in the State.

15 BY repealing and reenacting, without amendments,
16 Article – Economic Development
17 Section 10–401(a) and (c)
18 Annotated Code of Maryland
19 (2008 Volume and 2010 Supplement)

20 BY adding to
21 Article – Economic Development
22 Section 10–454 through 10–457 to be under the new part “Part V. Maryland
23 Biotech SBIR and STTR Bridge Program”
24 Annotated Code of Maryland
25 (2008 Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Economic Development**

4 10–401.

5 (a) In this subtitle the following words have the meanings indicated.

6 (c) “Corporation” means the Maryland Technology Development
7 Corporation.

8 **10–452. RESERVED.**

9 **10–453. RESERVED.**

10 **PART V. MARYLAND BIOTECH SBIR AND STTR BRIDGE PROGRAM.**

11 **10–454.**

12 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (B) “ELIGIBLE BIOTECHNOLOGY BUSINESS” MEANS A FOR-PROFIT
15 BUSINESS THAT:

16 (1) IS ENGAGED PRIMARILY IN THE RESEARCH, DEVELOPMENT,
17 OR COMMERCIALIZATION OF TECHNOLOGY THAT COMPRISES, INTERACTS WITH,
18 OR ANALYZES BIOLOGICAL MATERIAL; AND

19 (2) HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE.

20 (C) “FUND” MEANS THE MARYLAND BIOTECH SBIR AND STTR
21 BRIDGE FUND ESTABLISHED UNDER § 10–456 OF THIS SUBTITLE.

22 (D) “PROGRAM” MEANS THE MARYLAND BIOTECH SBIR AND STTR
23 BRIDGE PROGRAM.

24 (E) “SBIR” MEANS THE FEDERAL SMALL BUSINESS INNOVATION
25 RESEARCH PROGRAM.

26 (F) “STTR” MEANS THE FEDERAL SMALL BUSINESS TECHNOLOGY
27 TRANSFER RESEARCH PROGRAM.

28 **10–455.**

1 **(A) THERE IS A MARYLAND BIOTECH SBIR AND STTR BRIDGE**
2 **PROGRAM.**

3 **(B) THE PURPOSE OF THE PROGRAM IS TO SUPPORT AND PROMOTE**
4 **ADVANCED RESEARCH IN BIOTECHNOLOGY IN THE STATE BY PROVIDING**
5 **BRIDGE FUNDING TO ELIGIBLE BIOTECHNOLOGY BUSINESSES THAT HAVE**
6 **COMPLETED AN SBIR OR STTR PHASE I PROJECT AND HAVE APPLIED FOR AN**
7 **SBIR OR STTR PHASE II AWARD.**

8 **10-456.**

9 **(A) THERE IS A MARYLAND BIOTECH SBIR AND STTR BRIDGE FUND**
10 **IN THE CORPORATION.**

11 **(B) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
12 **SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**
13 **PROCUREMENT ARTICLE.**

14 **(2) THE STATE TREASURER SHALL HOLD THE FUND**
15 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

16 **(C) THE FUND CONSISTS OF:**

17 **(1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET; AND**

18 **(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
19 **THE BENEFIT OF THE PROGRAM.**

20 **(D) THE EXECUTIVE DIRECTOR OF THE CORPORATION, OR THE**
21 **EXECUTIVE DIRECTOR'S DESIGNEE, SHALL ADMINISTER THE FUND IN**
22 **ACCORDANCE WITH THIS PART AND OTHER APPLICABLE LAW.**

23 **(E) THE FUND SHALL BE USED TO:**

24 **(1) AWARD GRANTS UNDER § 10-457 OF THIS SUBTITLE; AND**

25 **(2) COVER THE COSTS OF THE PROGRAM.**

26 **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
27 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

28 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**
29 **CREDITED TO THE FUND.**

1 **(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**
2 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**
3 **GOVERNMENT ARTICLE.**

4 **10-457.**

5 **(A) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**
6 **THE CORPORATION MAY AWARD GRANTS TO ELIGIBLE BIOTECHNOLOGY**
7 **BUSINESSES TO MATCH FUNDS RECEIVED BY A BUSINESS THROUGH AN SBIR**
8 **OR STTR PHASE I PROPOSAL.**

9 **(2) A GRANT AWARDED UNDER THIS SECTION MAY NOT EXCEED**
10 **\$100,000.**

11 **(3) THE CORPORATION MAY AWARD UP TO 10 GRANTS UNDER**
12 **THIS SECTION EACH YEAR.**

13 **(B) TO QUALIFY FOR A GRANT UNDER THIS SECTION, AN ELIGIBLE**
14 **BIOTECHNOLOGY BUSINESS MUST:**

15 **(1) RECEIVE AN SBIR OR STTR PHASE I AWARD IN RESPONSE**
16 **TO A SPECIFIC FEDERAL SOLICITATION;**

17 **(2) SATISFY ALL APPLICABLE SBIR OR STTR REQUIREMENTS;**

18 **(3) CERTIFY THAT:**

19 **(I) MORE THAN 50% OF THE RESEARCH DESCRIBED IN THE**
20 **SBIR OR STTR PHASE I PROPOSAL WILL BE CONDUCTED IN THE STATE;**

21 **(II) THE ELIGIBLE BIOTECHNOLOGY BUSINESS WILL**
22 **MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE FOR THE**
23 **DURATION OF THE SBIR OR STTR PHASE II PROJECT; AND**

24 **(III) THE ELIGIBLE BIOTECHNOLOGY BUSINESS WILL NOT**
25 **RECEIVE CONCURRENT FUNDING FROM ANOTHER SOURCE THAT DUPLICATES**
26 **THE PURPOSE OF THIS SUBSECTION; AND**

27 **(4) DEMONSTRATE ITS ABILITY TO CONDUCT RESEARCH IN ITS**
28 **SBIR OR STTR PHASE II PROPOSAL.**

29 **(C) TO RECEIVE A GRANT UNDER THIS SECTION, AN ELIGIBLE**
30 **BIOTECHNOLOGY BUSINESS MUST SUBMIT AN APPLICATION TO THE**

1 CORPORATION, IN THE FORM REQUIRED BY THE CORPORATION, WITHIN 90
2 DAYS AFTER RECEIVING NOTIFICATION OF AN SBIR OR STTR PHASE I AWARD.

3 (D) AN ELIGIBLE BIOTECHNOLOGY BUSINESS MAY RECEIVE:

4 (1) NO MORE THAN ONE GRANT UNDER THIS SECTION EACH YEAR;

5 (2) NO MORE THAN ONE GRANT UNDER THIS SECTION FOR EACH
6 PROPOSAL SUBMISSION; AND

7 (3) NO MORE THAN FIVE TOTAL GRANTS UNDER THIS SECTION.

8 (E) A GRANT AWARDED UNDER THIS SECTION SHALL BE DISBURSED
9 WHEN THE ELIGIBLE BIOTECHNOLOGY BUSINESS CERTIFIES THAT IT HAS
10 SUBMITTED TO THE APPLICABLE FEDERAL AGENCY:

11 (1) THE SBIR OR STTR PHASE I FINAL REPORT; AND

12 (2) THE SBIR OR STTR PHASE II APPLICATION.

13 (F) THE CORPORATION SHALL ADOPT REGULATIONS TO ESTABLISH
14 ADDITIONAL CRITERIA AND PROCEDURES FOR AWARDING GRANTS UNDER THIS
15 SECTION.

16 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
17 General Assembly that funding provided to implement this Act shall be in addition to
18 and may not supplant funds, or alter the administration of funding, currently provided
19 in the State budget to support other biotechnology programs in the State.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2011.