

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 905 (Senator Zucker, *et al.*)
 Finance

**Maryland Technology Development Corporation - Maryland Advanced
 Manufacturing Grant Program - Established**

This bill establishes the Maryland Advanced Manufacturing Grant Program and a related special fund, administered by the Maryland Technology Development Corporation (TEDCO). The purpose of the program is to support the growth of companies specializing in regenerative medicine and other advanced manufacturing. TEDCO, in consultation with the Maryland Stem Cell Research Commission, must establish eligibility criteria, grant application procedures and evaluation criteria, and grant award processes and amounts. TEDCO, in consultation with the commission, may adopt regulations necessary to carry out the program. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$5.8 million annually beginning in FY 2027 to capitalize the fund (\$5.0 million) and for administrative costs (\$0.8 million). Special fund revenues to and expenditures from the fund increase by \$5.0 million annually beginning in FY 2027, reflecting receipt of the capitalization funds and spending on grant awards.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0
GF Expenditure	\$5.8	\$5.8	\$5.8	\$5.8	\$5.8
SF Expenditure	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0
Net Effect	(\$5.8)	(\$5.8)	(\$5.8)	(\$5.8)	(\$5.8)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Maryland Advanced Manufacturing Grant Program Fund

The Maryland Advanced Manufacturing Grant Program Fund is a special, nonlapsing fund, the purpose of which is to provide grants for the program. TEDCO must administer the fund.

The fund consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund. Any interest earnings of the fund must be credited to the fund. Expenditures from the fund may only be made in accordance with the State budget.

Grant recipients may use grant proceeds only for (1) the acquisition, renovation, or construction of space for regenerative medicine or other advanced manufacturing; (2) infrastructure improvements necessary to support regenerative medicine or other advanced manufacturing; and (3) the equipment necessary for regenerative medicine or other advanced manufacturing.

Current Law:

Maryland Technology Development Corporation – Generally

TEDCO is an independent entity established by the Maryland General Assembly in 1998 to enhance the transfer of technology from universities and federal laboratories to the private sector and foster the growth of companies in critical or high-growth sectors. TEDCO investments must meet statutory eligibility criteria that generally require a business to have and subsequently maintain a presence in the State. TEDCO programs typically assist companies based on a company's stage of development, from early stage and technology transfer to growth stage.

Equitech Growth Commission and Fund

Chapters 461 and 462 of 2023 established the Equitech Growth Commission and a related special fund in TEDCO to support economic competitiveness and inclusive growth of emerging and advanced industries in the State through the creation of supporting infrastructure assets, resources, and a diverse workforce that builds the strengths of the State's economy. TEDCO must award grants, investments, loans, or other financial assistance from the fund to public, nonprofit, or private entities in the State, including institutions of higher education and public-private partnerships. Awards must target

workforce development and infrastructure that will attract and retain businesses in the State. Awards must be consistent with the 10-year goals in a strategic plan developed by the Equitech Growth Commission.

From fiscal 2025 through 2033, the Governor must include in the annual budget bill an appropriation of \$5.0 million to the fund, and the fiscal 2027 budget as introduced includes \$5.0 million for the fund. While the mandated funding is temporary, the program is permanent.

Maryland Stem Cell Research Commission and Fund

The Stem Cell Research Commission is an independent commission that functions within TEDCO, with its members including individuals with experience in biotechnology, scientists, bioethicists, and individuals with expertise in biomedical ethics as it relates to religion. The commission is assisted in reviewing proposals for stem cell research by contracting with an independent scientific peer review committee composed of recognized experts in such research. The commission must, among other things, (1) develop criteria, standards, and requirements for the initial review of grant and loan applications by the commission; (2) establish procedures and guidelines to be used by the committee for the review, evaluation, ranking, and rating of research proposals for State-funded stem cell research; (3) establish procedures and guidelines to be used by the committee for the review, evaluation, ranking, and rating of research proposals for State-funded stem cell research; and (4) establish criteria, standards, and requirements for consideration of grant and loan applications based on the rankings and ratings of the committee.

Administered by TEDCO, the Maryland Stem Cell Research Fund promotes stem cell research and cures through grants and loans to public and private entities in the State. Money in the fund may only be used to (1) award grants and loans for State-funded stem cell research, in accordance with recommendations from the commission; (2) award grants and loans for facilities, capital leases, and capital equipment where State-funded stem cell research is conducted, in accordance with the recommendations of the commission; and (3) pay the costs necessary to administer the fund. The fiscal 2026 budget includes \$15.5 million in general funds for the fund.

State Fiscal Effect: General fund expenditures increase by \$5.8 million annually beginning in fiscal 2027, which reflects capitalization of the special fund in the amount of \$5.0 million annually (to ensure a viable grant program) as well as approximately \$800,000 annually in administrative costs for TEDCO. The administrative costs include (1) the salaries and fringe benefits associated with two new employees (a program manager and a program coordinator) to administer the program and fund; (2) specified legal fees and other costs; and (3) overhead (including marketing, accounting, reporting, auditing, etc.). TEDCO employees are not State employees.

Special fund revenues to the fund increase by \$5.0 million annually beginning in fiscal 2027, reflecting receipt of the capitalization funds. Special fund expenditures increase correspondingly; it is assumed that the full amount available to the fund is distributed as grants each year. TEDCO anticipates an average grant award of \$250,000; thus, approximately 20 grants can be made each year.

Small Business Effect: Any small businesses involved in advanced manufacturing or regenerative medicine benefit to the extent they are awarded grants through the program. Small businesses that provide equipment, supplies, or services to grant recipients also benefit.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Technology Development Corporation; Department of Legislative Services

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