



## “LIKES” AND “DISLIKES” of the 2015 Legislative Session



### **Advancing a Diverse 21<sup>st</sup> Century Economy**

During the 2015 legislative session, the General Assembly approved a number of measures that will diversify Maryland’s economy by providing additional resources to small businesses, creating a task force to study how current state ethics and procurement laws are hindering technology transfer at colleges and universities, and creating a program to provide interest-free loans to military personnel and veteran-owned small businesses. The legislature also approved sweeping changes to the state’s economic development structure, including transferring certain economic development programs to the Technology Economic Development Corporation, and created an advisory panel to examine the impact of regulations on small business.



### **Promoting Entrepreneurship and Fostering Innovation**

The General Assembly continues to fund important tax credit programs, including the Biotechnology Investment Tax Credit, Research and Development Tax Credit, and the Maryland Innovation Initiative. However, despite overwhelming support from the business community, higher education, entrepreneurs, angel investors, and state and local economic development professionals, the General Assembly did not pass the GBC’s signature legislation to create an Angel Investor Tax Credit. Other legislation that would have been beneficial to the entrepreneurial and startup communities – including a bill that would have allowed business incubators to take advantage of the state’s One Maryland Economic Development Tax Credit – also did not advance this year. The Angel Investor Tax Credit will be part of the 2016 GBC agenda.



### **Strengthening and Expanding our Highly-Skilled Workforce**

This year, the General Assembly passed legislation establishing the “Apprenticeship Maryland” pilot program, which will allow high school students to receive skills training while completing their high school curriculum. Expanding and strengthening apprenticeships in Maryland was one of the GBC’s legislative priorities for 2015.



### **Ensuring Strategic Investments in Maryland’s Infrastructure**

Over the course of the session, there were numerous bills proposed that would have dramatically impacted the state’s ability to invest in transportation infrastructure by changing the way the state’s gas tax is collected, a policy change that would have taken billions of dollars out of the Transportation Trust Fund. The General Assembly made modest changes to existing law but rebuked all attempts to make any drastic changes, largely leaving the fund intact. Additionally, legislators included language in the state’s budget to prevent state officials from taking money away from the critical Red Line and Purple Line projects without legislative approval.



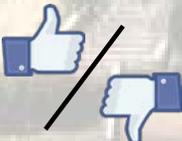
### **Cultivating STEM Education and Career Opportunities**

In an effort to increase the number of STEM college graduates in Maryland, legislation was proposed to create a task force to study interest-free loans for STEM college students. Unfortunately, this measure did not pass the General Assembly this year. There were also very few other initiatives proposed this year dealing specifically with STEM education.



### **Building a Competitive and Fair Tax System**

In a “win” for the business community, the General Assembly did not enact any legislation that would negatively impact the state’s competitiveness, such as combined reporting for business entities. However, the legislature failed to pass legislation that would have a positive effect on the state’s tax climate, including bills that would have reduced the corporate income tax rate or create a “flat” individual income tax system – a system preferred by many tax experts for its simplicity.



### **Increasing Transparency and Accountability**

The General Assembly had numerous opportunities to increase accountability and transparency both within the legislative process and in state government. A measure requiring governmental units to maintain a public record of who the general public can contact to request a public record was approved. However, legislation that would have subjected more General Assembly committees to the Open Meetings Act failed.

# Maryland's FY2016 Operating Budget

## Business Highlights

The state's two largest business financing programs, the Maryland Economic Development Assistance Authority Fund and the Maryland Small Business Development Financing Authority, received \$28 million in the FY2016 budget. These programs provide loans and other financing to growth industry businesses and small businesses across the state.

**\$15 M**

EARLY STAGE  
FUNDING

The Maryland Enterprise Investment Fund and Challenge Programs, which provide much needed capital to early stage, high technology companies, receive \$15 million in the FY2016 budget.

**\$10.6 M**

SMALL &  
MINORITY BIZ.

The Small, Minority, and Women-Owned Business Investment Account receives nearly \$11 million, which will be distributed to businesses in targeted areas around Maryland's five casinos.

**\$9 M**

R & D TAX  
CREDIT

A program that provides tax credits to businesses in the state with qualified research and development expenses, the Research & Development Tax Credit is capped at \$9 million for next year.

**\$8.5 M**

E-NOVATION  
INITIATIVE

Created last year, the Maryland E-Innovation Initiative, which offers a state match to private funds raised in support of endowed chairs at Maryland's higher education institutions, receives \$8.5 million in FY2016.

**\$3.6 M**

TECHNOLOGY  
TRANSFER

The Maryland Technology Development Corporation receives \$3.6 million specifically to facilitate technology transfer and commercialization.

The Maryland Biotechnology Investment Tax Credit, which provides an investor with income tax credits equal to 50 percent of an eligible investment in a Qualified Maryland Biotechnology Company, is level-funded at \$12 million for the new fiscal year.

Maryland's Stem Cell Research Fund, which promotes stem cell research and cures through grants and loans to public and private entities in the state, receives more than \$9 million in FY2016.

The Sustainable Communities Tax Credit, a program that provides tax credits for rehabilitation and reuse of underutilized commercial and residential historic properties in the state, is funded at \$9 million.

The Maryland Innovation Initiative, a partnership between the state and five Maryland academic research institutions designed to promote commercialization of research conducted in the partnership universities, receives nearly \$5 million.

The FY2016 budget includes \$2.5 million to support investments in cybersecurity companies and technologies through the CyberMaryland Investment Incentive Tax Credit and the Cybersecurity Investment Fund.

**\$12 M**

BIOTECH

**\$9.4 M**

STEM CELL  
RESEARCH

**\$9 M**

SUSTAINABLE  
COMMUNITIES

**\$4.9 M**

INNOVATION  
INITIATIVE

**\$2.5 M**

CYBER  
INVESTMENTS