



Committee: ECON
Committee Review: At a future date
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #1D
May 5, 2026
Introduction

SUBJECT

Bill 22-26, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Repeal of Sunset Date

Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

N/A

DESCRIPTION/ISSUE

Bill 22-26 would:

- (1) repeal the sunset date affecting the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program; and
- (2) generally amend the law regarding the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

SUMMARY OF KEY DISCUSSION POINTS

N/A

This report contains:

Staff Report	Pages 1–2
Bill 22-26	© 1
Fiscal Impact Statement	© 4
County Executive Transmittal	© 5

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MEMORANDUM

April 30, 2026

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

SUBJECT: Bill 22-26, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Repeal of Sunset Date

PURPOSE: Introduction – no Council votes required

Bill 22-26, Finance – Economic Development Fund - Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program - Repeal of Sunset Date, is scheduled for introduction on May 5, 2026. Its Lead Sponsor is the Council President at the Request of the County Executive. A public hearing is tentatively scheduled for June 9, 2026, at 1:30 p.m.

Bill 22-26 would:

- (1) repeal the sunset date affecting the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program; and
- (2) generally amend the law regarding the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

Background

In 2018, the County Council enacted Bill 41-17, which established the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Grant Program, administered by the Director of Finance using the Economic Development Fund. The matching grant is available to County-based small businesses that receive either a Phase I or Phase II grant under either the Small Business Innovation Research Grant or the Small Business Technology Transfer Grant, each of which is a federal grant program. When enacted, the bill contained a sunset provision, rendering the SBIR and STTR section of the Montgomery County Code ineffective after July 1, 2025.

Bill Specifics

Bill 22-26 would delete the law's sunset provision. The bill also contains a transition section clarifying that entities that received federal funding following the law's sunset, but which otherwise would have been eligible for the matching grant, are eligible for the matching grant.

This packet contains:

Bill 22-26

Fiscal Impact Statement

County Executive Transmittal

Circle

1

4

5

Bill No. 22-26
Concerning: Finance – Economic
Development Fund - Small Business
Innovation Research and Small
Business Technology Transfer Matching
Grant Program - Repeal of Sunset Date
Revised: 4/28/2026 Draft No. 1
Introduced: May 5, 2026
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN ACT to:

- (1) repeal the sunset date affecting the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program; and
- (2) generally amend the law regarding the Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.

By amending

Montgomery County Code
Chapter 20, Finance
Section 20-76E

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 20-76E is amended, as follows:**

2 **Article XIII. Economic Development Fund.**

3 * * *

4 **20-76E. Small Business Innovation Research and Small Business Technology**
5 **Transfer Matching Grant Program.**

6 (a) *Definitions.* As used in this Section:

7 *Director* means the Director of Finance or the Director’s designee.

8 *Small Business Innovation Research Grant or SBIR* means the congressionally-
9 mandated set-aside program by that name for U.S. small businesses to engage in
10 research and development that has a strong potential for commercialization.

11 *Small Business Technology Transfer Grant or STTR* means the congressionally-
12 mandated set-aside program by that name for U.S. small businesses to engage in
13 research and development that has a strong potential for commercialization.

14 (b) *Grant Program.* The Director of Finance must pay, subject to appropriation, a
15 SBIR or STTR Matching Grant to each business who meets certain eligibility
16 standards.

17 (c) *Eligibility.* A business is eligible to receive the matching grant if the business:

18 (1) has been awarded a SBIR or STTR Phase I or Phase II grant during the
19 current fiscal year to conduct research in medicine, biotechnology, or
20 life sciences;

21 (2) conducts at least 51[%] percent of its research and development
22 operations at a physical location in the County; and

23 (3) meets any other eligibility criteria established under subsection (d)
24 regarding business size or characteristics.

25 (d) *Regulations.* The Executive may adopt regulations under Method (2) to
26 implement this Section.

27 (e) *Administration.*

- 28 (1) The Director must administer the Program.
- 29 (2) The Director must require a business to enter into an agreement under
- 30 Section 20-75(f), including an agreement to pay back any grant
- 31 payments received if:
- 32 (A) the business does not remain in the County for a minimum time
- 33 period specified in the agreement; or
- 34 (B) the business uses the payment for an unauthorized purpose.
- 35 (3) An eligible business that does not receive a grant due to lack of
- 36 available funding may be awarded a grant in the following year.
- 37 (4) The Director must report annually to the Council regarding
- 38 demographic data, including the race, ethnicity, and gender of the
- 39 owners of eligible businesses, applicants, and awardees under the
- 40 Program.

41 [(f) *Sunset.* This Section is not effective after July 1, 2025.]

42 **Sec. 2. Transition.** An otherwise eligible business under Section 20-76E(c) that
 43 received a SBIR or STTR Phase I or Phase II grant between July 1, 2025, and the
 44 effective date of this Act and that applied for a grant during that time period may still
 45 be considered for a County matching grant during the current fiscal year.



Fiscal Impact Statement

Office of Management and Budget

Bill XX-25

SBIR/STTR Matching Grant Program - Sunset Repeal and Retroactive Authorization

Bill Summary

The Montgomery County Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) Matching Grant Program was established under Bill 41-17, enacted in March 2018, to provide matching grant funds to small businesses engaged in research or research and development (R&D) with strong commercial potential. The program was designed to support the growth of early-stage life sciences companies, aligning with the County's broader economic development strategy to accelerate innovation. Bill 41-17 included a sunset provision, which caused the program to expire on July 1, 2025. This legislation aims to ensure continuity of support for small businesses pursuing federal SBIR/STTR awards and to reinforce Montgomery County's commitment to innovation-driven economic growth.

Fiscal Impact Summary

The legislation is not expected to result in any additional fiscal impact. The program is fully supported by the existing appropriation, and no supplemental appropriation is required.

Fiscal Impact Analysis

The FY26 appropriation will support program activities as planned. Future funding will be determined through the annual budget process and is expected to reflect ongoing demand.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected

The bill does not authorize future spending.

Contributors

Derese Bikila, Office of the County Executive
Julie Knight, Office of Management and Budget





OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 24, 2026

TO: Natali Fani-González, President
Montgomery County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Bill XX-26 - SBIR/STTR Program - Repeal of Sunset Date

I am transmitting Bill XX-26 to eliminate the sunset date of the SBIR/STTR Matching Grant Program that occurred on July 1, 2025. Continuing this important economic development program supports Montgomery County's efforts to position itself as a national center of excellence in life sciences and our standing as one of the nation's leading bioscience hubs.

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are highly competitive federal initiatives that encourage small businesses to engage in research or research and development (R&D) with strong commercial potential. These programs aim to stimulate technological innovation, meet federal R&D needs, and drive economic growth by supporting small businesses in developing and commercializing new technologies.

The Montgomery County SBIR/STTR Matching Grant Program was enacted in March 2018, under Bill 41-17, *Economic Development Fund – Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program*, with the intent to attract and support the growth of early-stage life sciences companies, aligning with the County's broader economic development strategy of accelerating innovation¹. This bill also introduced a sunset date that occurred on July 1, 2025, requiring funding to be approved retroactively to this date.

¹ Montgomery County Economic Development Strategic Plan.
https://static1.squarespace.com/static/5873c778e6f2e14a3529e892/t/624dd72fc30a024d37415e42/1649268531081/Economic+Development+Strategic+Plan_040622.pdf

Initially, the SBIR/STTR matching funds were provided only to businesses that had received SBIR or STTR awards from the National Institutes of Health (NIH). In June 2021, Bill 37-19 expanded the scope to include SBIR/STTR awards from any federal agency, provided the research focused on medicine, biotechnology, or life sciences.

In November 2022, Bill 31-22 introduced further amendments, including:

- A cap on the number of Phase I and Phase II matching grants per business,
- A reduction in the matching award amount for Phase II awardees, from \$75,000 to \$50,000, and
- The creation of a Phase 0 grant to reimburse technical assistance expenditures for businesses pursuing their first SBIR or STTR award.

Since its launch in FY2019, the SBIR/STTR Matching Grant Program has received consistent annual appropriations, with the FY2026 allocation totaling \$200,000. The program has consistently been fully subscribed or oversubscribed, demonstrating strong demand from the life sciences community.

As of September 30, 2025, the County has received two Phase 0 applications under the revised guidelines, representing approximately \$10,000 in anticipated expenditures. With upcoming federal SBIR/STTR submission deadlines in September and January, additional applications are expected.

Over the past seven years, the program has:

- Attracted more than 30 R&D - focused companies in biotechnology, life sciences, and medicine to Montgomery County.
- Provided \$2.13 million in County matching funds.
- Leveraged nearly \$45 million in federal grants.
- Contributed to the creation of approximately 400 well-paying jobs in the life sciences sector – an industry critical to the County’s economic future.

There is \$200,000 appropriated for FY26, and funding will not be an issue if the sunset date is eliminated and funding is approved retroactively to this date. The Department of Finance and the Business Center recommend removing the program’s sunset date to continue supporting the growth of early-stage life sciences companies, in alignment with Montgomery County’s broader economic development strategy.

Please direct any questions about the program to Derese D. Bikila, Economic Development Programs Manager in the County Executive’s Business Center at 240-777-8864 or at Derese.Bikila@montgomerycountymd.gov.

Enclosures: Bill XX-26 – SBIR/STTR Program - Repeal of Sunset Date
Fiscal Impact Statement

Legislative Request Report

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer
Ken Hartman-Espada, Assistant Chief Administrative Officer
Tricia Swanson, Director of Strategic Partnerships
Judith Costello, Special Projects Manager, Office of the County Executive
Derese Bikila, Program Manager, Office of the County Executive
Michael Coveyou, Director, Department of Finance

Bill No. _____ [Click - type number]
Concerning: Finance – Repeal of Sunset
Date
Revised: [date] Draft No. 1
Introduced: [date]
Expires: [18 mos. after intro]
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: [date expires]
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN ACT to:

- (1) repeal the sunset date of Section 20-76E of the Montgomery County Code.

By adding

Montgomery County Code
Chapter 20, Finance
Section 20-76E

Boldface

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

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3 * * *

4 **20-76E. Small Business Innovation Research and Small Business Technology**
5 **Transfer Matching Grant Program.**

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17 appropriation, a SBIR or STTR Matching Grant to each business who
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20 the business:

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23 biotechnology, or life sciences;

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25 at a physical location in the County; and
26

- 27 (3) meets any other eligibility criteria established under subsection
 28 (d) regarding business size or characteristics.
- 29 (d) *Regulations.* The Executive may adopt regulations under Method (2) to
 30 implement this Section.
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 34 under Section 20-75(f), including an agreement to pay back any
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 41 available funding may be awarded a grant in the following year.
- 42 (4) The Director must report annually to the Council regarding
 43 demographic data, including the race, ethnicity, and gender of the
 44 owners of eligible businesses, applicants, and awardees under the
 45 Program.
- 46 [(f) *Sunset.* This Section is not effective after July 1, 2025.]

47

48 **Sec. 2. Transition. An otherwise eligible business under Section 20-76E(c) that**
 49 **received a SBIR or STTR Phase I or Phase II grant between July 1, 2025, and the**
 50 **effective date of this Act and that applied for a grant during that time period may still**
 51 **be considered for a County matching grant during the current fiscal year.**

52 *Approved:*

53

54

Natali Fani-González, President, County Council Date

55 *Approved:*

56

Marc Elrich, County Executive Date

57 *This is a correct copy of Council action.*

58

Sara Tenenbaum, Clerk of the Council Date

APPROVED AS TO FORM AND LEGALITY

Trevor Ashbary

4/24/26

Date

LEGISLATIVE REQUEST REPORT

BILL: XX-26

DESCRIPTION: The Montgomery County SBIR/STTR Matching Grant Program was enacted in March 2018 under Bill 41-17, Economic Development Fund – Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program, with the intent to attract and support the growth of early-stage life sciences companies. This aligns with the County’s broader economic development strategy of accelerating innovation. The bill also included a sunset date, which took effect on July 1, 2025.

PROBLEM: The SBIR/STTR Matching Grant Program expired on July 1, 2025. Therefore, the County Executive is requesting that the County Council repeal the sunset date in Section 20-76E of the Montgomery County Code.

GOALS: These programs aim to stimulate technological innovation, meet federal R&D needs, and drive economic growth by supporting small businesses in developing and commercializing new technologies. The County Executive would like these programs to continue.

COORDINATION: Office of the County Executive.

FISCAL IMPACT: None

**ECONOMIC:
IMPACT** None

EVALUATION: N/A

**EXPERIENCE:
ELSEWHERE** No other jurisdiction in the nation has similar programs.

**SOURCE OF:
INFORMATION** Department of Finance

**APPLICATION:
WITHIN
MUNICIPALITIES** N/A

PENALTIES: N/A