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: 7/16/2026 Draft No. 2
Introduced: May 5, 2026
Enacted: July 21, 2026
Executive:
Effective:
Sunset Date:
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: 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	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*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:

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

Article XIII. Economic Development Fund.

* * *

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

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

Director means the Director of Finance or the Director's designee.

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

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

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

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

(1) has been awarded a SBIR or STTR Phase I or Phase II grant **[[**during the current fiscal year**]]** within the 12 months preceding the application for the matching grant to conduct research in medicine, biotechnology, or life sciences;

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

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

(d) *Phase 0 Grant.* A business is eligible to receive a Phase 0 grant up to $5,000 for legitimate business expenditures related to the completion and filing of a bona fide SBIR or STTR Phase I or Fast Track grant application, including technical assistance, if:

(1) it is in Good Standing with the SDAT;

(2) it has business expenditures related to the completion and filing of a SBIR or STTR Phase I or Fast Track grant application, including technical assistance, related to a submitted SBIR/STTR Phase 1 proposal, regardless of industry;

(3) at least 51 percent of the business's research and development assisted by the SBIR or STTR grant is conducted in Montgomery County;

(4) it has a maximum number of 20 employees;

(5) it has been in operation for no more than 5 years;

(6) it has previously received no more than one Phase 0 grant from the County to pursue Phase I awards; and

(7) it has never received an SBIR or STTR award.

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

[[(e)**]]**(f) *Administration.*

(1) The Director must administer the Program.

(2) The Director must require a business to enter into an agreement under Section 20-75(f), including an agreement to pay back any grant payments received if:

(A) the business does not remain in the County for a minimum time period specified in the agreement; or

(B) the business uses the payment for an unauthorized purpose.

(3) An eligible business that does not receive a grant due to lack of available funding may be awarded a grant in the following year.

(4) The Director must report annually to the Council regarding

demographic data, including the race, ethnicity, and gender of the owners of eligible businesses, applicants, and awardees under the Program.

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

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

Approved:

Natali Fani

July 21, 2026

Natali Fani-González, President, County Council — Date

Approved:

Marc Elrich, County Executive — Date

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council — Date