

# SENATE BILL 560

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CF HB 626

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By: **Senator Guzzone**

Introduced and read first time: February 6, 2023

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Animal Testing and Research – Human–Relevant Research Funding and Animal**  
3 **Testing and Research Licensure**

4 FOR the purpose of establishing the Human–Relevant Research Fund under the  
5 administration of the Maryland Technology Development Corporation as a special,  
6 nonlapsing fund; requiring that the interest earnings of the Fund be credited to the  
7 Fund; requiring the Corporation to establish a grant and loan program to provide  
8 grants and loans for State–funded, human–relevant animal testing alternatives  
9 research; requiring a person, on or after a certain date, to be issued a license by the  
10 Secretary of Health before the person may use nonhuman animals to conduct  
11 medical or product testing or research in the State; and generally relating to the  
12 Human–Relevant Research Fund.

13 BY repealing and reenacting, without amendments,  
14 Article – Economic Development  
15 Section 10–401(a) and (c) and 10–429(a) and (g)  
16 Annotated Code of Maryland  
17 (2018 Replacement Volume and 2022 Supplement)

18 BY adding to  
19 Article – Economic Development  
20 Section 10–4D–01 through 10–4D–06 to be under the new subtitle “Subtitle 4D.  
21 Human–Relevant Research Fund and Program”  
22 Annotated Code of Maryland  
23 (2018 Replacement Volume and 2022 Supplement)

24 BY adding to  
25 Article – Health – General  
26 Section 24–2201 through 24–2205 to be under the new subtitle “Subtitle 22. Animal  
27 Testing and Research License”  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2019 Replacement Volume and 2022 Supplement)

2 BY repealing and reenacting, without amendments,  
3 Article – State Finance and Procurement  
4 Section 6–226(a)(1) and (a)(2)(i)  
5 Annotated Code of Maryland  
6 (2021 Replacement Volume and 2022 Supplement)

7 BY repealing and reenacting, with amendments,  
8 Article – State Finance and Procurement  
9 Section 6–226(a)(2)(ii)170. and 171.  
10 Annotated Code of Maryland  
11 (2021 Replacement Volume and 2022 Supplement)

12 BY adding to  
13 Article – State Finance and Procurement  
14 Section 6–226(a)(2)(ii)172.  
15 Annotated Code of Maryland  
16 (2021 Replacement Volume and 2022 Supplement)

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

19 **Article – Economic Development**

20 10–401.

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

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

23 10–429.

24 (a) In this part the following words have the meanings indicated.

25 (g) “Institutional review board” has the meaning stated in the federal regulations  
26 on the protection of human subjects.

27 **SUBTITLE 4D. HUMAN–RELEVANT RESEARCH FUND AND PROGRAM.**

28 **10–4D–01.**

29 **(A) IN THIS SUBTITLE THE FOLLOWING TERMS HAVE THE MEANINGS**  
30 **INDICATED.**

1           **(B) "BOARD" MEANS THE HUMAN-RELEVANT RESEARCH REVIEW BOARD**  
2 **ESTABLISHED UNDER § 10-4D-04 OF THIS SUBTITLE.**

3           **(C) "CORPORATION" HAS THE MEANING STATED IN § 10-401 OF THIS TITLE.**

4           **(D) "FUND" MEANS THE HUMAN-RELEVANT RESEARCH FUND.**

5           **(E) "INSTITUTIONAL REVIEW BOARD" HAS THE MEANING STATED IN §**  
6 **10-429 OF THIS TITLE.**

7 **10-4D-02.**

8           **(A) THERE IS A HUMAN-RELEVANT RESEARCH FUND.**

9           **(B) THE PURPOSE OF THE FUND IS TO PROMOTE STATE-FUNDED**  
10 **RESEARCH INTENDED TO DEVELOP HUMAN-RELEVANT ALTERNATIVES TO USING**  
11 **NONHUMAN ANIMALS IN MEDICAL AND PRODUCT TESTING AND RESEARCH**  
12 **THROUGH GRANTS AND LOANS TO PUBLIC AND PRIVATE ENTITIES IN THE STATE.**

13           **(C) THE CORPORATION SHALL ADMINISTER THE FUND.**

14           **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
15 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

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

18           **(E) THE FUND CONSISTS OF:**

19                   **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 24-2203 OF THE**  
20 **HEALTH - GENERAL ARTICLE;**

21                   **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

22                   **(3) INTEREST EARNINGS OF THE FUND; AND**

23                   **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
24 **THE BENEFIT OF THE FUND.**

25           **(F) MONEY IN THE FUND MAY BE USED ONLY TO:**

1           **(1) AWARD GRANTS AND LOANS FOR STATE-FUNDED,**  
2 **HUMAN-RELEVANT ANIMAL TESTING ALTERNATIVES RESEARCH IN ACCORDANCE**  
3 **WITH THE RECOMMENDATIONS OF THE BOARD; AND**

4           **(2) PAY THE COSTS NECESSARY TO ADMINISTER THE FUND.**

5           **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND**  
6 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

7           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
8 **THE FUND.**

9           **(H) (1) THE GOVERNOR MAY INCLUDE IN THE STATE BUDGET BILL EACH**  
10 **FISCAL YEAR AN APPROPRIATION TO THE FUND.**

11           **(2) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**  
12 **ACCORDANCE WITH THE STATE BUDGET.**

13 **10-4D-03.**

14           **(A) SUBJECT TO THE PROVISIONS OF THIS SUBTITLE, THE CORPORATION**  
15 **SHALL ESTABLISH A GRANT AND LOAN PROGRAM TO PROVIDE GRANTS AND LOANS**  
16 **FOR STATE-FUNDED, HUMAN-RELEVANT ANIMAL TESTING ALTERNATIVES**  
17 **RESEARCH.**

18           **(B) A GRANT OR LOAN AWARDED UNDER THIS SUBTITLE IS CONTINGENT ON**  
19 **THE RECIPIENT:**

20           **(1) SUBMITTING TO THE BOARD APPROVAL FROM AN INSTITUTIONAL**  
21 **REVIEW BOARD; AND**

22           **(2) ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH THE**  
23 **CORPORATION THAT:**

24           **(I) ESTABLISHES THE SCOPE OF THE STATE'S OWNERSHIP OR**  
25 **OTHER FINANCIAL INTEREST IN THE COMMERCIALIZATION AND OTHER BENEFITS**  
26 **OF THE RESULTS, PRODUCTS, INVENTIONS, AND DISCOVERIES RESULTING FROM**  
27 **STATE-FUNDED, HUMAN-RELEVANT RESEARCH; AND**

28           **(II) TO THE EXTENT CONSISTENT WITH FEDERAL AND STATE**  
29 **LAW, REFLECTS THE INTELLECTUAL PROPERTY POLICIES OF THE CORPORATION.**

1 (C) A RECIPIENT SHALL SUBMIT THE APPROVAL REQUIRED UNDER  
2 SUBSECTION (B)(1) OF THIS SECTION WITHIN 6 MONTHS AFTER THE AWARD OF THE  
3 GRANT OR LOAN.

4 (D) THE CORPORATION MAY NOT DISBURSE GRANT OR LOAN MONEY TO A  
5 RECIPIENT UNTIL THE RECIPIENT MEETS THE REQUIREMENTS OF SUBSECTION (B)  
6 OF THIS SECTION.

7 10-4D-04.

8 (A) THE CORPORATION SHALL CONTRACT WITH AN INDEPENDENT  
9 SCIENTIFIC REVIEW BOARD COMPOSED OF RECOGNIZED SCIENTIFIC EXPERTS IN  
10 THE FIELD OF HUMAN-RELEVANT ANIMAL TESTING ALTERNATIVES TO ACT AS THE  
11 HUMAN-RELEVANT RESEARCH REVIEW BOARD.

12 (B) THE BOARD SHALL:

13 (1) REVIEW, EVALUATE, RANK, AND RATE RESEARCH PROPOSALS FOR  
14 STATE-FUNDED, HUMAN-RELEVANT ANIMAL TESTING ALTERNATIVES RESEARCH:

15 (I) BASED ON THE PROCEDURES AND GUIDELINES  
16 ESTABLISHED BY THE CORPORATION; AND

17 (II) IN A MANNER THAT GIVES DUE CONSIDERATION TO THE  
18 SCIENTIFIC, MEDICAL, AND ETHICAL IMPLICATIONS OF THE RESEARCH; AND

19 (2) BASED ON THE RANKINGS AND RATINGS AWARDED TO THE  
20 RESEARCH PROPOSALS BY THE BOARD, MAKE RECOMMENDATIONS TO THE  
21 CORPORATION FOR THE AWARD AND DISBURSEMENT OF GRANTS AND LOANS.

22 (C) A MEMBER OF THE BOARD:

23 (1) IS NOT ELIGIBLE TO RECEIVE A GRANT OR LOAN FOR  
24 STATE-FUNDED, HUMAN-RELEVANT RESEARCH FROM THE FUND; AND

25 (2) SHALL BE SUBJECT TO CONFLICT OF INTEREST STANDARDS THAT  
26 ARE AT LEAST AS STRINGENT AS THE STANDARDS ON CONFLICT OF INTEREST  
27 ADOPTED BY THE FEDERAL NATIONAL INSTITUTES OF HEALTH.

28 10-4D-05.

1 THE CORPORATION, IN CONSULTATION WITH THE BOARD, SHALL ADOPT  
2 REGULATIONS TO ESTABLISH PROCEDURES FOR AWARDING AND MAKING THE  
3 DISBURSEMENT OF A GRANT OR LOAN.

4 10-4D-06.

5 (A) ON OR BEFORE JANUARY 1 EACH YEAR, THE CORPORATION AND THE  
6 BOARD SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF  
7 THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE PROGRESS  
8 OF THE HUMAN-RELEVANT ANIMAL TESTING ALTERNATIVES RESEARCH  
9 CONDUCTED WITH MONEY FROM GRANTS OR LOANS AWARDED UNDER THIS  
10 SUBTITLE.

11 (B) THE REPORT SHALL IDENTIFY:

12 (1) EACH RECIPIENT OF MONEY FROM THE FUND;

13 (2) THE AMOUNT OF MONEY AWARDED TO EACH RECIPIENT; AND

14 (3) A DESCRIPTION OF THE TYPE OF STATE-FUNDED,  
15 HUMAN-RELEVANT RESEARCH PERFORMED BY THE RECIPIENT AND THE ANIMAL  
16 TESTS THE RESEARCH IS INTENDED TO REPLACE.

17 Article – Health – General

18 SUBTITLE 22. ANIMAL TESTING AND RESEARCH LICENSE.

19 24-2201.

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
21 INDICATED.

22 (B) “LICENSE” MEANS A LICENSE TO CONDUCT MEDICAL OR PRODUCT  
23 TESTING OR RESEARCH USING ANIMALS.

24 (C) “LICENSEE” MEANS A PERSON WHO HOLDS A LICENSE ISSUED UNDER  
25 THIS SUBTITLE.

26 24-2202.

27 ON OR AFTER JANUARY 1, 2024, A PERSON SHALL BE LICENSED BY THE  
28 SECRETARY BEFORE THE PERSON MAY USE NONHUMAN ANIMALS TO CONDUCT  
29 MEDICAL OR PRODUCT TESTING OR RESEARCH IN THE STATE.

1 24-2203.

2 (A) (1) AN APPLICANT FOR A LICENSE SHALL SUBMIT AN APPLICATION  
3 TO THE SECRETARY ON THE FORM THAT THE SECRETARY REQUIRES.

4 (2) AN INITIAL APPLICATION SHALL REQUIRE AN APPLICANT TO  
5 INCLUDE:

6 (I) THE NUMBER OF ANIMALS THAT WILL BE USED TO CONDUCT  
7 THE MEDICAL OR PRODUCT TESTING OR RESEARCH;

8 (II) A LIST OF THE SPECIES OF ANIMALS THAT WILL BE USED TO  
9 CONDUCT THE MEDICAL OR PRODUCT TESTING OR RESEARCH; AND

10 (III) ANY OTHER INFORMATION REQUIRED BY THE SECRETARY.

11 (B) (1) THE ANNUAL LICENSE FEE IS:

12 (I) \$5,000 FOR UP TO 500 ANIMALS;

13 (II) \$10,000 FOR MORE THAN 500 BUT NOT MORE THAN 1,000  
14 ANIMALS;

15 (III) \$25,000 FOR MORE THAN 1,000 BUT NOT MORE THAN 5,000  
16 ANIMALS;

17 (IV) \$35,000 FOR MORE THAN 5,000 BUT NOT MORE THAN 10,000  
18 ANIMALS; AND

19 (V) \$50,000 FOR MORE THAN 10,000 ANIMALS.

20 (2) THE ANNUAL LICENSE FEE MAY BE PAID IN QUARTERLY  
21 INSTALLMENTS.

22 (C) THE SECRETARY SHALL:

23 (1) DISTRIBUTE THE AMOUNT OF LICENSING FEES NECESSARY TO  
24 ADMINISTER THE LICENSING PROGRAM TO AN ADMINISTRATIVE COST ACCOUNT;  
25 AND

26 (2) DISTRIBUTE THE REMAINING FEES TO THE HUMAN-RELEVANT  
27 RESEARCH FUND ESTABLISHED UNDER § 10-4D-02 OF THE ECONOMIC

1 **DEVELOPMENT ARTICLE AFTER MAKING THE DISTRIBUTION REQUIRED UNDER**  
2 **ITEM (1) OF THIS SUBSECTION.**

3 **24-2204.**

4 **(A) (1) THE SECRETARY SHALL ISSUE A LICENSE TO AN APPLICANT WHO**  
5 **SUBMITS THE INFORMATION REQUIRED UNDER § 24-2203(A) OF THIS SUBTITLE AND**  
6 **ON PAYMENT OF:**

7 **(I) THE TOTAL ANNUAL LICENSE FEE; OR**

8 **(II) THE FIRST QUARTERLY INSTALLMENT OF THE TOTAL**  
9 **ANNUAL LICENSE FEE.**

10 **(2) THE TERM OF A LICENSE IS 1 YEAR.**

11 **(B) THE SECRETARY MAY DENY A LICENSE TO AN APPLICANT OR MAY**  
12 **SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR LICENSEE:**

13 **(1) FRAUDULENTLY OR DECEPTIVELY MAKES A STATEMENT ON AN**  
14 **APPLICATION FOR A LICENSE;**

15 **(2) FAILS TO MAKE A QUARTERLY INSTALLMENT PAYMENT OF THE**  
16 **ANNUAL LICENSE FEE; OR**

17 **(3) COMMITS FREQUENT OR NUMEROUS VIOLATIONS OF THIS**  
18 **SUBTITLE OR THE REGULATIONS ADOPTED UNDER THIS SUBTITLE.**

19 **(C) EACH LICENSEE SHALL:**

20 **(1) MAINTAIN A RECORD OF ALL ANIMALS USED AND DISPOSED OF TO**  
21 **CONDUCT MEDICAL OR PRODUCT TESTING OR RESEARCH, INCLUDING THE NUMBER**  
22 **AND TYPES OF ANIMALS USED; AND**

23 **(2) SUBMIT TO THE SECRETARY A QUARTERLY REPORT INCLUDING**  
24 **THE INFORMATION REQUIRED UNDER ITEM (1) OF THIS SUBSECTION.**

25 **(D) ON OR BEFORE JANUARY 1 EACH YEAR, BEGINNING IN 2024, THE**  
26 **SECRETARY SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**  
27 **2-1257 OF THE STATE GOVERNMENT ARTICLE, THE AGGREGATE NUMBER OF EACH**  
28 **SPECIES OF ANIMAL USED IN MEDICAL OR PRODUCT TESTING OR RESEARCH BY**  
29 **LICENSEES IN THE STATE.**



1 24-2205.

2 (A) (1) A PERSON MAY NOT USE NONHUMAN ANIMALS TO CONDUCT  
3 MEDICAL OR PRODUCT TESTING OR RESEARCH IN THE STATE UNLESS LICENSED BY  
4 THE SECRETARY.

5 (2) A PERSON MAY NOT AID OR ABET THE UNAUTHORIZED USE OF  
6 NONHUMAN ANIMALS TO CONDUCT MEDICAL OR PRODUCT TESTING OR RESEARCH  
7 IN THE STATE.

8 (B) A PERSON IN VIOLATION OF SUBSECTION (A) OF THIS SECTION IS  
9 GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO:

10 (1) FOR A FIRST OFFENSE, A FINE NOT EXCEEDING \$5,000; OR

11 (2) FOR EACH SUBSEQUENT OFFENSE, A FINE NOT EXCEEDING  
12 \$20,000.

13 **Article – State Finance and Procurement**

14 6-226.

15 (a) (1) Except as otherwise specifically provided by law or by regulation of the  
16 Treasurer, the Treasurer shall credit to the General Fund any interest on or other income  
17 from State money that the Treasurer invests.

18 (2) (i) Notwithstanding any other provision of law, and unless  
19 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
20 terms of a gift or settlement agreement, net interest on all State money allocated by the  
21 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
22 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
23 Fund of the State.

24 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
25 to the following funds:

26 170. the Cannabis Public Health Fund; [and]

27 171. the Community Reinvestment and Repair Fund; AND

28 **172. THE HUMAN-RELEVANT RESEARCH FUND.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
30 1, 2023.