

# HOUSE BILL 1239

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CF SB 602

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By: **Delegates Qi, Barve, Buckel, Hornberger, Lierman, Palakovich Carr, and Smith**

Introduced and read first time: February 7, 2020

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Technology Partnership Program**

3 FOR the purpose of establishing the Maryland Technology Partnership Program in the  
4 Maryland Technology Development Corporation; establishing the purposes of the  
5 Program; establishing the Maryland Technology Partnership Authority; providing  
6 for the appointment of members, the selection of officers, and the purposes and  
7 procedures of the Authority; establishing the Maryland Technology Partnership  
8 Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the  
9 Executive Director of the Maryland Technology Development Corporation or the  
10 Executive Director's designee to administer the Fund; requiring the State Treasurer  
11 to hold the Fund and the Comptroller to account for the Fund; specifying the contents  
12 of the Fund; providing for the investment of money in and expenditures from the  
13 Fund; requiring interest earnings of the Fund to be credited to the Fund; exempting  
14 the Fund from a certain provision of law requiring interest earnings on State money  
15 to accrue to the General Fund of the State; requiring the Program to provide certain  
16 financial assistance to certain entities in the State subject to certain conditions;  
17 providing for the eligibility of certain entities for certain financial assistance;  
18 establishing certain priorities for certain financial assistance; requiring the  
19 Authority to adopt certain regulations; requiring the Corporation and the Authority  
20 to report to the Governor and the General Assembly on or before a certain date each  
21 year; defining certain terms; declaring the intent of the General Assembly; specifying  
22 the terms of the initial members of the Authority; and generally relating to the  
23 Maryland Technology Partnership Program, the Maryland Technology Partnership  
24 Authority, and the Maryland Technology Partnership Fund.

25 BY repealing and reenacting, without amendments,  
26 Article – Economic Development  
27 Section 9–101(a) and (e) and 10–401(a) and (c); and 10–496(a) to be under the  
28 amended “Part XII. Miscellaneous”  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2018 Replacement Volume and 2019 Supplement)

BY adding to

Article – Economic Development

Section 10–495.1 through 10–495.12 to be under the new part “Part XI. Maryland Technology Partnership Program”

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2015 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)121. and 122.

Annotated Code of Maryland

(2015 Replacement Volume and 2019 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)123.

Annotated Code of Maryland

(2015 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

### **Article – Economic Development**

9–101.

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

(e) “Secretary” means the Secretary of Commerce.

10–401.

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

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

### **PART XI. MARYLAND TECHNOLOGY PARTNERSHIP PROGRAM.**

**10–495.1.**

(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “AUTHORITY” MEANS THE MARYLAND TECHNOLOGY PARTNERSHIP AUTHORITY.

(C) “FINANCIAL ASSISTANCE” MEANS A GRANT, A LOAN, A CREDIT ENHANCEMENT, AN INVESTMENT, OR SIMILAR ASSISTANCE.

(D) “FUND” MEANS THE MARYLAND TECHNOLOGY PARTNERSHIP FUND.

(E) “PROGRAM” MEANS THE MARYLAND TECHNOLOGY PARTNERSHIP PROGRAM.

(F) “PROJECT” MEANS A MULTISECTOR, LARGE-SCALE, TRANSFORMATIVE INITIATIVE INTENDED TO PROMOTE THE DEVELOPMENT OF LIFE SCIENCES OR CYBER-RELATED INDUSTRIES.

**10-495.2.**

**THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

(1) MARYLAND’S STRONG BASE OF INNOVATION-LED, ADVANCED INDUSTRIES IS IN PART A RESULT OF THE STATE’S INVESTMENT IN INNOVATION-FOCUSED ECONOMIC DEVELOPMENT PROGRAMS, THEREBY ESTABLISHING ITSELF AS A NATIONAL LEADER;

(2) MARYLAND’S TWO LEADING ADVANCED INDUSTRIES OF LIFE SCIENCES AND CYBER-RELATED INDUSTRIES CONTINUE TO GENERATE SUBSTANTIAL JOB GROWTH, DRAWING ON THE STRONG BASE OF RESEARCH AND DEVELOPMENT, NEW COMPANY FORMATION, AND TALENT ASSETS FOUND IN MARYLAND;

(3) TO ENSURE THE STATE’S FUTURE ECONOMIC COMPETITIVENESS, MARYLAND MUST ADVANCE STRATEGIC PUBLIC-PRIVATE, INNOVATION-LED COLLABORATIONS CREATING THE NEXUS WHERE INDUSTRY INNOVATION AND ACADEMIC RESEARCH COMPETENCIES CAN COME TOGETHER TO DRIVE LOCAL ECONOMIC DEVELOPMENT; AND

(4) THESE COLLABORATIONS WILL BE FACILITATED BY AN AUTHORITY WITHIN THE CORPORATION, WHICH WILL ESTABLISH A FORWARD-LOOKING PLATFORM TO DEVELOP STRATEGIC INITIATIVES AND ENGAGE

MULTISECTOR PARTIES ACROSS INDUSTRY, ACADEMIA, AND THE PUBLIC SECTOR.

**10-495.3.**

(A) THERE IS A MARYLAND TECHNOLOGY PARTNERSHIP PROGRAM IN THE CORPORATION.

(B) THE PURPOSES OF THE PROGRAM ARE TO:

(1) FACILITATE STRATEGIC PLANNING AND GUIDANCE BY CONVENING LEADERS FROM INDUSTRY AND ANCHOR RESEARCH INSTITUTIONS, AS WELL AS OTHER KEY INNOVATION STAKEHOLDERS, TO IDENTIFY POLICIES AND INVESTMENTS NEEDED TO ADVANCE MARYLAND'S INNOVATION AROUND TARGETED GROWTH OPPORTUNITIES AND PLACE-MAKING EFFORTS;

(2) MANAGE A MARYLAND TECHNOLOGY PARTNERSHIP FUND FOR INVESTMENTS IN PROJECTS; AND

(3) COORDINATE ECONOMIC DEVELOPMENT SERVICE DELIVERY TO ENSURE HIGH-QUALITY CUSTOMER SERVICE.

**10-495.4.**

(A) THERE IS A MARYLAND TECHNOLOGY PARTNERSHIP AUTHORITY IN THE CORPORATION.

(B) THE CORPORATION SHALL PROVIDE STAFF TO THE AUTHORITY AND MAY EMPLOY OR CONTRACT WITH EXPERTS TO ASSIST WITH THE ADMINISTRATION AND MANAGEMENT OF THE PROGRAM.

**10-495.5.**

(A) THE AUTHORITY CONSISTS OF THE FOLLOWING MEMBERS:

(1) SEVEN MEMBERS APPOINTED BY THE GOVERNOR;

(2) THE PRESIDENT OF THE JOHNS HOPKINS UNIVERSITY, OR THE PRESIDENT'S DESIGNEE;

(3) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF MARYLAND, OR THE CHANCELLOR'S DESIGNEE;

(4) THE PRESIDENT OF A COMMUNITY COLLEGE LOCATED IN THE

1 STATE, OR THE PRESIDENT'S DESIGNEE, APPOINTED BY THE MARYLAND  
2 ASSOCIATION OF COMMUNITY COLLEGES;

3 (5) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;

4 (6) THE SECRETARY OF LABOR, OR THE SECRETARY OF LABOR'S  
5 DESIGNEE;

6 (7) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE  
7 SECRETARY OF BUDGET AND MANAGEMENT'S DESIGNEE;

8 (8) THE EXECUTIVE DIRECTOR OF THE CORPORATION;

9 (9) ONE MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE OF  
10 MARYLAND;

11 (10) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF  
12 DELEGATES; AND

13 (11) ONE OF THE FOLLOWING APPOINTED BY THE GOVERNOR:

14 (I) THE PRESIDENT OF BOWIE STATE UNIVERSITY, OR THE  
15 PRESIDENT'S DESIGNEE;

16 (II) THE PRESIDENT OF COPPIN STATE UNIVERSITY, OR THE  
17 PRESIDENT'S DESIGNEE;

18 (III) THE PRESIDENT OF MORGAN STATE UNIVERSITY, OR THE  
19 PRESIDENT'S DESIGNEE; OR

20 (IV) THE PRESIDENT OF THE UNIVERSITY OF MARYLAND  
21 EASTERN SHORE, OR THE PRESIDENT'S DESIGNEE.

22 (B) (1) OF THE SEVEN MEMBERS APPOINTED BY THE GOVERNOR:

23 (I) AT LEAST TWO SHALL BE EXECUTIVES IN LIFE SCIENCES  
24 COMPANIES IN THE STATE;

25 (II) AT LEAST TWO SHALL BE EXECUTIVES IN CYBER-RELATED  
26 COMPANIES IN THE STATE; AND

27 (III) AT LEAST TWO SHALL HAVE EXPERIENCE AS AN  
28 ENTREPRENEUR OR REPRESENT SMALL OR EARLY-STAGE COMPANIES.

**(2) THE GOVERNOR SHALL CONSIDER THE GEOGRAPHIC DIVERSITY OF THE STATE WHEN APPOINTING MEMBERS.**

**(C) THE MEMBERS APPOINTED BY THE PRESIDENT AND THE SPEAKER:**

**(1) MAY NOT BE ELECTED OFFICIALS; AND**

**(2) MUST HAVE EXPERIENCE AND EXPERTISE IN LIFE SCIENCES OR CYBER-RELATED INNOVATION.**

**(D) EACH MEMBER MUST BE A RESIDENT OF THE STATE.**

**(E) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.**

**(2) THE TERMS OF THE APPOINTED MEMBERS OF THE AUTHORITY ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE AUTHORITY ON OCTOBER 1, 2020.**

**(3) AT THE END OF A TERM, AN APPOINTED MEMBER:**

**(I) IS ELIGIBLE FOR REAPPOINTMENT; AND**

**(II) CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

**(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.**

**(5) A MEMBER APPOINTED BY THE GOVERNOR MAY BE REMOVED BY THE GOVERNOR WITH CAUSE.**

**(6) A MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE MAY BE REMOVED BY THE PRESIDENT OF THE SENATE WITH CAUSE.**

**(7) A MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE MAY BE REMOVED BY THE SPEAKER OF THE HOUSE WITH CAUSE.**

**10-495.6.**

**(A) THE GOVERNOR SHALL APPOINT A CHAIR FROM AMONG THE MEMBERS.**

**(B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF**

1 OFFICERS AND THEIR TERMS OF OFFICE.

2 10-495.7.

3 (A) (1) NINE MEMBERS OF THE AUTHORITY ARE A QUORUM.

4 (2) AN ACT OF THE AUTHORITY MUST BE APPROVED BY A MAJORITY  
5 VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM IS PRESENT.

6 (B) A MEMBER OF THE AUTHORITY:

7 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
8 AUTHORITY; BUT

9 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE  
10 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

11 (C) A MEMBER OF THE AUTHORITY SHALL FILE AN ANNUAL PUBLIC  
12 DISCLOSURE OF FINANCIAL INTERESTS AS REQUIRED UNDER THE MARYLAND  
13 PUBLIC ETHICS LAW.

14 (D) EACH MEMBER OF THE AUTHORITY SHALL DISCLOSE TO THE STATE  
15 ETHICS COMMISSION WHETHER THE MEMBER IS EMPLOYED BY OR HAS A FINANCIAL  
16 INTEREST IN AN ENTITY THAT MAY APPLY FOR FUNDING FROM THE FUND.

17 10-495.8.

18 (A) THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE  
19 CORPORATION IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM  
20 UNDER THIS SUBTITLE.

21 (B) THE AUTHORITY MAY ESTABLISH AN INDEPENDENT REVIEW BOARD OF  
22 BUSINESS AND ACADEMIC EXPERTS WITH KNOWLEDGE OF ADVANCED INDUSTRIES  
23 TO:

24 (1) EVALUATE WHETHER AN APPLICANT FOR FUNDING IS LIKELY TO  
25 ACHIEVE THE GOALS OF THE PROJECT FOR WHICH FUNDING IS SOUGHT; AND

26 (2) MAKE RECOMMENDATIONS TO THE AUTHORITY, BASED ON THE  
27 EVALUATION, FOR THE AWARD AND DISBURSEMENT OF FINANCIAL ASSISTANCE  
28 FROM THE FUND.

29 10-495.9.

(A) THERE IS A MARYLAND TECHNOLOGY PARTNERSHIP FUND IN THE CORPORATION.

(B) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

(C) THE FUND CONSISTS OF:

(1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

(2) ANY INTEREST EARNINGS OF THE FUND; AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE PROGRAM.

(D) THE EXECUTIVE DIRECTOR OF THE CORPORATION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE, SHALL ADMINISTER THE FUND IN ACCORDANCE WITH THIS PART AND ANY OTHER APPLICABLE LAW.

(E) THE FUND SHALL BE USED TO COVER THE COSTS OF THE PROGRAM, INCLUDING:

(1) ANY ADMINISTRATIVE COSTS; AND

(2) ANY FINANCIAL ASSISTANCE THAT IS AWARDED TO ELIGIBLE RECIPIENTS.

(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

10-495.10.



1       **WITHIN THE PROGRAM, SUBJECT TO AVAILABLE FUNDING, AND ON THE**  
2 **RECOMMENDATION OF THE AUTHORITY MADE AFTER A COMPREHENSIVE**  
3 **APPLICATION AND REVIEW PROCESS, THE CORPORATION SHALL AWARD CAPITAL**  
4 **AND OPERATING FINANCIAL ASSISTANCE FROM THE FUND TO PUBLIC OR PRIVATE**  
5 **ENTITIES IN THE STATE, INCLUDING INSTITUTIONS OF HIGHER EDUCATION, TO:**

6               **(1) SUPPORT LARGE-SCALE PLACE-MAKING PROJECTS THAT**  
7 **ESTABLISH A GEOGRAPHIC DISTRICT TO ATTRACT TALENT, FOSTER**  
8 **COLLABORATION, AND ENABLE CONCENTRATION AND GROWTH OF LIFE SCIENCES**  
9 **AND CYBER-RELATED INDUSTRIES;**

10              **(2) FOSTER PUBLIC-PRIVATE COLLABORATIONS BETWEEN PRIVATE**  
11 **INDUSTRY AND INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, AND THE**  
12 **DEVELOPMENT OF RESEARCH AND COMMERCIALIZATION CENTERS;**

13              **(3) ATTRACT NEW LEAD VENTURE CAPITAL FIRMS AND MAJOR**  
14 **CORPORATE PARTNERS TO FUND START-UP AND EMERGING COMPANIES IN**  
15 **MARYLAND; AND**

16              **(4) SUPPORT TALENT DEVELOPMENT INITIATIVES THAT ADDRESS**  
17 **CRITICAL SKILL SHORTAGE AREAS IN SCIENCE, TECHNOLOGY, ENGINEERING, AND**  
18 **MATHEMATICS FIELDS TO MEET THE WORKFORCE NEEDS OF THE LIFE SCIENCES**  
19 **AND CYBER-RELATED INDUSTRIES.**

20 **10-495.11.**

21              **(A) THE AUTHORITY SHALL ADOPT REGULATIONS TO ESTABLISH:**

22                      **(1) A COMPETITIVE APPLICATION PROCESS;**

23                      **(2) CRITERIA AND PROCEDURES FOR AWARDING FINANCIAL**  
24 **ASSISTANCE FROM THE FUND TO ELIGIBLE RECIPIENTS, INCLUDING CRITERIA FOR**  
25 **THE INVESTMENT AMOUNTS FOR EACH PROJECT AND PRIVATE LEVERAGE**  
26 **REQUIREMENTS FOR EACH PROJECT;**

27                      **(3) A PROCESS FOR DETERMINING MEASURABLE GOALS FOR EACH**  
28 **PROJECT AND A PROCESS FOR MONITORING GOAL ATTAINMENT; AND**

29                      **(4) PROCEDURES FOR ENSURING THAT PROGRAMMATIC FUNDS AND**  
30 **LEVERAGED FUNDS ARE INVESTED WITHIN THE STATE.**

31              **(B) (1) IN ACCORDANCE WITH THIS PART, ALL QUALIFIED BUSINESSES,**

ALL INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, AND ALL OTHER PRIVATE  
SECTOR INDUSTRIES IN THE STATE THAT MEET THE PROGRAM'S CRITERIA MAY BE  
ELIGIBLE RECIPIENTS OF FINANCIAL ASSISTANCE.

(2) PRIORITY FOR THE AWARD OF ANY FINANCIAL ASSISTANCE SHALL  
BE GIVEN TO THOSE PROJECTS THAT ARE MOST LIKELY TO:

(I) ATTRACT SIGNIFICANT INVESTMENT IN THE STATE;

(II) RESULT IN SIGNIFICANT COMPANY FORMATION OR JOB  
CREATION;

(III) LEVERAGE SIGNIFICANT RESEARCH FUNDING FROM  
FEDERAL OR PRIVATE SECTOR SOURCES; OR

(IV) ESTABLISH THE STATE AS A KEY LOCATION FOR LIFE  
SCIENCES AND CYBER-RELATED INDUSTRIES.

10-495.12.

ON OR BEFORE JANUARY 1 EACH YEAR, THE CORPORATION AND THE  
AUTHORITY SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §  
2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE  
STATUS OF THE FUND, INCLUDING DETAILED DESCRIPTIONS OF THE FINANCIAL  
ASSISTANCE AWARDED UNDER THIS PART.

Part [XI] XII. Miscellaneous.

10-496.

(a) In any case under the insurance law of the State in which the assets of a  
purchaser are examined or considered, the designated capital shall be treated as an  
admitted asset, subject to the same financial rating as that held by the State.

#### Article – State Finance and Procurement

6-226.

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

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

121. the Markell Hendricks Youth Crime Prevention and Diversion Parole Fund; [and]

122. the Federal Government Shutdown Employee Assistance Loan Fund; AND

**123. THE MARYLAND TECHNOLOGY PARTNERSHIP FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The terms of the initial members of the Maryland Technology Partnership Authority appointed by the Governor under § 10–495.5(a)(1) of the Economic Development Article, as enacted by Section 1 of this Act, shall expire as follows:

(1) two members in 2021;

(2) two members in 2022; and

(3) three members in 2023.

(b) The terms of the initial members of the Authority appointed by the President of the Senate of Maryland and the Speaker of the House of Delegates shall expire in 2024.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.