

HOUSE BILL 343

C8
HB 235/19 – W&M

0lr0163
CF SB 270

By: **The Speaker (By Request – Administration) and Delegates Adams, Anderton, Arentz, Beitzel, Buckel, Chisholm, Ciliberti, Clark, Corderman, Cox, Griffith, Hartman, Howard, Jacobs, Kipke, Kittleman, Krebs, Malone, Mautz, McComas, McKay, Metzgar, Morgan, Otto, Reilly, Rose, Saab, and Wivell**

Introduced and read first time: January 20, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of establishing the Maryland Technology Infrastructure Program in the
4 Maryland Technology Development Corporation; establishing the purposes of the
5 Program; establishing the Maryland Technology Infrastructure 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 Infrastructure
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 Infrastructure Program, the Maryland Technology
24 Infrastructure Authority, and the Maryland Technology Infrastructure Fund.

25 BY repealing and reenacting, without amendments,
26 Article – Economic Development

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 9–101(a) and (e) and 10–401(a) and (c)
Annotated Code of Maryland
(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 Infrastructure Program”
Annotated Code of Maryland
(2018 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development
Section 10–496(a) to be under the amended part “Part XII. Miscellaneous”
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 INFRASTRUCTURE PROGRAM.

10-495.1.

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

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

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

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

(E) “PROGRAM” MEANS THE MARYLAND TECHNOLOGY INFRASTRUCTURE 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;

(4) TO ENHANCE MARYLAND'S COMPETITIVENESS WITH STRONG NATIONAL INNOVATION MARKETS, THE STATE CAN AND SHOULD BE A CATALYST TO ESTABLISH THESE COLLABORATIONS BY PROVIDING TRANSFORMATIVE FUNDING OVER THE NEXT DECADE TO LEVERAGE SIGNIFICANT PRIVATE/PUBLIC/CIVIC CO-INVESTMENT AND RESULT IN THE CREATION OF MORE THAN 40,000 NEW JOBS; AND

(5) 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 INFRASTRUCTURE 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 INFRASTRUCTURE 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 INFRASTRUCTURE 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

1 AND MANAGEMENT OF THE PROGRAM.

2 10-495.5.

3 (A) THE AUTHORITY CONSISTS OF THE FOLLOWING MEMBERS:

4 (1) FIVE MEMBERS APPOINTED BY THE GOVERNOR;

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

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

9 (4) THE PRESIDENT OF A COMMUNITY COLLEGE LOCATED IN THE
10 STATE, OR THE PRESIDENT'S DESIGNEE, APPOINTED BY THE MARYLAND
11 ASSOCIATION OF COMMUNITY COLLEGES;

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

13 (6) THE SECRETARY OF LABOR, OR THE SECRETARY OF LABOR'S
14 DESIGNEE;

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

17 (8) THE EXECUTIVE DIRECTOR OF THE CORPORATION;

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

20 (10) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
21 DELEGATES; AND

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

23 (I) THE PRESIDENT OF BOWIE STATE UNIVERSITY, OR THE
24 PRESIDENT'S DESIGNEE;

25 (II) THE PRESIDENT OF COPPIN STATE UNIVERSITY, OR THE
26 PRESIDENT'S DESIGNEE;

27 (III) THE PRESIDENT OF MORGAN STATE UNIVERSITY, OR THE

PRESIDENT'S DESIGNEE; OR

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

(B) (1) OF THE FIVE MEMBERS APPOINTED BY THE GOVERNOR:

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

**(II) AT LEAST TWO SHALL BE EXECUTIVES IN CYBER-RELATED
COMPANIES IN THE STATE.**

**(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.**

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

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

5 **10-495.6.**

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

7 **(B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF**
8 **OFFICERS AND THEIR TERMS OF OFFICE.**

9 **10-495.7.**

10 **(A) (1) SEVEN MEMBERS OF THE AUTHORITY ARE A QUORUM.**

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

13 **(B) A MEMBER OF THE AUTHORITY:**

14 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**
15 **AUTHORITY; BUT**

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

18 **(C) A MEMBER OF THE AUTHORITY SHALL FILE AN ANNUAL PUBLIC**
19 **DISCLOSURE OF FINANCIAL INTERESTS AS REQUIRED UNDER THE MARYLAND**
20 **PUBLIC ETHICS LAW.**

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

24 **10-495.8.**

25 **(A) THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE**
26 **CORPORATION IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM**
27 **UNDER THIS SUBTITLE.**

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

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

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

10-495.9.

(A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE 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.

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

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

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

8 10-495.10.

9 (A) WITHIN THE PROGRAM, SUBJECT TO AVAILABLE FUNDING, AND ON THE
10 RECOMMENDATION OF THE AUTHORITY, THE CORPORATION SHALL AWARD
11 CAPITAL AND OPERATING FINANCIAL ASSISTANCE FROM THE FUND TO PUBLIC OR
12 PRIVATE ENTITIES IN THE STATE, INCLUDING INSTITUTIONS OF HIGHER
13 EDUCATION, TO:

14 (1) SUPPORT LARGE-SCALE PLACE-MAKING PROJECTS THAT
15 ESTABLISH A GEOGRAPHIC DISTRICT TO ATTRACT TALENT, FOSTER
16 COLLABORATION, AND ENABLE CONCENTRATION AND GROWTH OF LIFE SCIENCES
17 AND CYBER-RELATED INDUSTRIES;

18 (2) FOSTER PUBLIC-PRIVATE COLLABORATIONS BETWEEN PRIVATE
19 INDUSTRY AND INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, AND THE
20 DEVELOPMENT OF RESEARCH AND COMMERCIALIZATION CENTERS;

21 (3) ATTRACT NEW LEAD VENTURE CAPITAL FIRMS AND MAJOR
22 CORPORATE PARTNERS TO FUND START-UP AND EMERGING COMPANIES IN
23 MARYLAND; AND

24 (4) SUPPORT TALENT DEVELOPMENT INITIATIVES THAT ADDRESS
25 CRITICAL SKILL SHORTAGE AREAS IN SCIENCE, TECHNOLOGY, ENGINEERING, AND
26 MATHEMATICS FIELDS TO MEET THE WORKFORCE NEEDS OF THE LIFE SCIENCES
27 AND CYBER-RELATED INDUSTRIES.

28 (B) THE FUND MAY NOT CONTRIBUTE MORE THAN ONE-THIRD OF THE
29 TOTAL COST OF A PROJECT DESCRIBED IN SUBSECTION (A) OF THIS SECTION.

30 10-495.11.

31 (A) THE AUTHORITY SHALL ADOPT REGULATIONS TO ESTABLISH:

(1) A COMPETITIVE APPLICATION PROCESS; AND

(2) CRITERIA AND PROCEDURES FOR AWARDING FINANCIAL ASSISTANCE FROM THE FUND TO ELIGIBLE RECIPIENTS.

(B) (1) IN ACCORDANCE WITH THIS PART, ALL PRIVATE SECTOR ENTITIES IN THE STATE AND ALL INSTITUTIONS OF HIGHER EDUCATION IN THE STATE 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 INFRASTRUCTURE FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The terms of the initial members of the Maryland Technology Infrastructure 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) one member in 2021;

(2) two members in 2022; and

(3) two 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.