

HOUSE BILL 943

C8

5lr1825
CF SB 776

By: **The Speaker (By Request – Maryland Economic Development and Business Climate Commission) and Delegates Beitzel, Davis, ~~and Jones Jones, Adams, Barkley, Branch, Brooks, Carey, Clippinger, Frick, Glenn, Jameson, Kramer, Lisanti, Valderrama, Vaughn, Waldstreicher, and C. Wilson~~**

Introduced and read first time: February 13, 2015

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 17, 2015

CHAPTER _____

1 AN ACT concerning

2 **Economic Competitiveness and Commerce – Restructuring**

3 FOR the purpose of renaming the Department of Business and Economic Development to
4 be the Department of Economic Competitiveness and Commerce; renaming the
5 Secretary of Business and Economic Development to be the Secretary of Commerce;
6 establishing an Office of the Secretary of Commerce in the Office of the Governor;
7 specifying that the Secretary is the head of the Office and the economic development
8 policy and implementation efforts in the State, ~~a certain unit~~, and ~~oversees~~ monitors
9 certain units and certain corporations; requiring the Governor to appoint the
10 Secretary; specifying the authority and duties of the Secretary; requiring the
11 Secretary to appoint an Executive Director; specifying the qualifications and duties
12 of the Executive Director; specifying the duties of the Department; repealing the
13 authority of the Department to establish a certain publications account; providing
14 that the Maryland Economic Development Commission oversees the operations of
15 the Department and its units and monitors the operations of the Maryland Economic
16 Development Corporation and the Maryland Technology Development Corporation;
17 ~~expanding the members~~ altering the membership of the Commission; expanding the
18 duties of the Commission; ~~transferring the Maryland Life Sciences Advisory Board~~
19 ~~from the Department of Business and Economic Development to the Maryland~~
20 ~~Technology Development Corporation~~; altering the membership of the Life Sciences
21 Advisory Board; ~~requiring the Life Sciences Advisory Board to assist the Maryland~~
22 ~~Technology Development Corporation in certain matters~~; transferring the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Enterprise Fund, Invest Maryland Program, and the Maryland Venture Fund
2 Authority from the Department of Business and Economic Development to the
3 Maryland Technology Development Corporation; requiring the Authority to provide
4 advice to and consult with the Maryland Technology Development Corporation
5 concerning certain matters; requiring the Maryland Technology Development
6 Corporation to allocate certain designated capital and perform other duties for the
7 Program; altering the purpose of the Maryland Economic Development Corporation;
8 requiring the Board of Directors of the Maryland Economic Development
9 Corporation to establish a marketing advisory board composed of certain members;
10 requiring the marketing advisory board to establish and operate a public-private
11 partnership marketing group to carry out certain purposes; authorizing the Board of
12 Directors of the Maryland Economic Development Commission to retain certain
13 consultants; establishing the Economic Development Marketing Fund as a special,
14 nonlapsing fund; requiring the Maryland Economic Development Corporation to
15 administer the Fund; requiring the State Treasurer to hold the Fund and the
16 Comptroller to account for the Fund; specifying the contents of the Fund; specifying
17 the purpose for which the Fund may be used; providing for the investment of money
18 in and expenditures from the Fund; specifying that the Attorney General is the legal
19 advisor to the Corporation for the administration of the Fund; authorizing the
20 Corporation to retain any additional necessary lawyers for the administration of the
21 Fund with the approval of the Attorney General; requiring a certain report of the
22 Maryland Economic Development Corporation to include certain information;
23 altering the purpose of the Maryland Technology Development Corporation;
24 ~~increasing~~ altering the membership of the Board of Directors of the Maryland
25 Technology Development Corporation; requiring the Attorney General to assign to
26 the Maryland Technology Development Corporation certain counsel; requiring
27 certain counsel to the Maryland Technology Development Corporation to perform
28 certain duties; establishing the Public-Private Partnership Marketing Corporation
29 ~~and the Board of Directors of the Corporation; providing that the Public-Private~~
30 ~~Partnership Marketing Corporation is a body politic and corporate and is an~~
31 ~~instrumentality of the State; specifying the purposes of the Public-Private~~
32 ~~Partnership Marketing Corporation; specifying the duties, membership,~~
33 ~~qualifications, terms, appointments, and removal of the members of the Board of the~~
34 ~~Public-Private Partnership Marketing Corporation; specifying the manner in~~
35 ~~electing the chair of the Board of the Public-Private Partnership Marketing~~
36 ~~Corporation; requiring the Public-Private Partnership Marketing Corporation to~~
37 ~~employ an Executive Director; specifying the duties of the Executive Director;~~
38 ~~providing that the Attorney General is the legal advisor to the Public-Private~~
39 ~~Partnership Marketing Corporation; authorizing the Public-Private Partnership~~
40 ~~Marketing Corporation to employ certain staff; specifying the laws from which the~~
41 ~~Public-Private Partnership Marketing Corporation is exempt and to which the~~
42 ~~Corporation is subject; specifying the authority of the Public-Private Partnership~~
43 ~~Marketing Corporation; requiring the Public-Private Partnership Marketing~~
44 ~~Corporation to report on certain matters to certain persons on or before a certain~~
45 ~~date each year; establishing a Commerce Subcabinet; providing for the membership,~~
46 ~~duties, chair, and staffing of the Subcabinet; requiring the Subcabinet to meet each~~
47 ~~month; providing that the Department of Economic Competitiveness and Commerce~~

1 is the successor of the Department of Business and Economic Development and that
 2 the Executive Director of the Department of Economic Competitiveness and
 3 Commerce is the successor of the Secretary of Business and Economic Development;
 4 providing that certain names and titles of a certain unit and officials in laws and
 5 other documents mean the names and titles of the successor unit and officials;
 6 providing for the continuity of certain matters and persons; requiring the publisher
 7 of the Annotated Code, in consultation with, and subject to the approval of, the
 8 Department of Legislative Services, to make certain corrections; altering certain
 9 definitions; defining certain terms; making certain conforming changes; and
 10 generally relating to economic development and competitiveness and the
 11 restructuring and renaming of the Department of Business and Economic
 12 Development.

13 BY renumbering

14 Article – Economic Development

15 Section 2–117 through 2–123, respectively; ~~and~~ 2–201 through 2–207, respectively,
 16 and the subtitle “Subtitle 2. Maryland Economic Development Commission”;
 17 6–502, 6–503, 6–509, 6–510, 6–515, 6–516, 6–524, and 6–525, respectively
 18 to be Section 2.5–104 through 2.5–110, respectively; ~~and~~ 2.5–201 through 2.5–207,
 19 respectively, and the subtitle “Subtitle 2. Maryland Economic Development
 20 Commission”; and 10–472, 10–473, 10–479, 10–480, 10–485, 10–486, 10–494,
 21 and 10–495, respectively

22 Annotated Code of Maryland
 23 (2008 Volume and 2014 Supplement)

24 BY repealing and reenacting, without amendments,

25 Article – Economic Development

26 Section 1–101(a) and 2–104 through 2–107, 2–109 through 2–111, 2–113, 2–115,
 27 2–116, 3–202, 3–204, 3–205, 6–505 through 6–507, 6–520, 6–523, 9–101(a),
 28 10–101(a), (b), and (d), 10–104(a), 10–401, 10–404, and ~~10–404~~ 10–406
 29 through 10–415

30 Annotated Code of Maryland
 31 (2008 Volume and 2014 Supplement)

32 BY repealing and reenacting, with amendments,

33 Article – Economic Development

34 Section 1–101(c) and (f) to be under the amended division “Division I. Secretary of
 35 Commerce and Department of Economic Competitiveness and Commerce”;
 36 2–102, 2–103, 2–108, 2–112, and 2–114 to be under the amended title “Title 2.
 37 Secretary of Commerce” and the amended subtitle “Subtitle 1. Office of the
 38 Secretary”; ~~3–201 through 3–204, 3–203, 5–601 through 5–603, 6–501, 6–504,~~
 39 ~~6–508 through 6–508, 6–511 through 6–514, 6–517 through 6–519, 6–521,~~
 40 ~~6–522 6–523, 6–526 through 6–529, 9–101(c) and (e), 10–104(b) and (c),~~
 41 10–110, 10–115, 10–132, 10–402, ~~and~~ 10–403, and 10–405

42 Annotated Code of Maryland
 43 (2008 Volume and 2014 Supplement)

1 BY repealing
2 Article – Economic Development
3 Section 2–101 and 2.5–109; the subtitle designation “Subtitle 6. Enterprise Fund”
4 immediately preceding Section 5–601; and the subtitle designation “Subtitle
5 5. Invest Maryland Program” immediately preceding Section 6–501
6 Annotated Code of Maryland
7 (2008 Volume and 2014 Supplement)

8 BY adding to
9 Article – Economic Development
10 Section 2–101, ~~and 10–901 through 10–911 to be under the new subtitle “Subtitle 9.~~
11 ~~Public-Private Partnership Marketing Corporation”, 10–109.1, 10–114.1,~~
12 10–117.1; and the new part “Part VII. Enterprise Fund and Invest Maryland
13 Program” immediately preceding Section 10–468
14 Annotated Code of Maryland
15 (2008 Volume and 2014 Supplement)

16 BY adding to
17 Article – Economic Development
18 Section 2.5–101, 2.5–102, and 2.5–103 to be under the new title “Title 2.5.
19 Department of Economic Competitiveness and Commerce”
20 Annotated Code of Maryland
21 (2008 Volume and 2014 Supplement)
22 (As enacted by Section 1 of this Act)

23 BY repealing and reenacting, without amendments,
24 Article – Economic Development
25 Section 2.5–105, 2.5–107, ~~2.5–108, 2.5–109~~, 2.5–201, 2.5–205, and 2.5–207
26 Annotated Code of Maryland
27 (2008 Volume and 2014 Supplement)
28 (As enacted by Section 1 of this Act)

29 BY repealing and reenacting, with amendments,
30 Article – Economic Development
31 Section 2.5–104, 2.5–106, ~~2.5–108~~, 2.5–110, 2.5–202, 2.5–203, 2.5–204, and 2.5–206
32 Annotated Code of Maryland
33 (2008 Volume and 2014 Supplement)
34 (As enacted by Section 1 of this Act)

35 BY repealing
36 Article – Economic Development
37 Section 2.5–109
38 Annotated Code of Maryland
39 (2008 Volume and 2014 Supplement)
40 (As enacted by Section 1 of this Act)

41 BY repealing and reenacting, without amendments,

1 Article – State Finance and Procurement
 2 Section 6–226(a)(2)(i)
 3 Annotated Code of Maryland
 4 (2009 Replacement Volume and 2014 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – State Finance and Procurement
 7 Section 6–226(a)(2)(ii)81. and 82.
 8 Annotated Code of Maryland
 9 (2009 Replacement Volume and 2014 Supplement)

10 BY adding to
 11 Article – State Finance and Procurement
 12 Section 6–226(a)(2)(ii)83.
 13 Annotated Code of Maryland
 14 (2009 Replacement Volume and 2014 Supplement)

15 BY repealing and reenacting, without amendments,
 16 Article – State Government
 17 Section 8–201(a)
 18 Annotated Code of Maryland
 19 (2014 Replacement Volume)

20 BY repealing and reenacting, with amendments,
 21 Article – State Government
 22 Section 8–201(b)(4)
 23 Annotated Code of Maryland
 24 (2014 Replacement Volume)

25 BY adding to
 26 Article – State Government
 27 Section 9–3101 through 9–3104 to be under the new subtitle “Subtitle 31. Commerce
 28 Subcabinet”
 29 Annotated Code of Maryland
 30 (2014 Replacement Volume)

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 32 That Section(s) 2–117 through 2–123, respectively; ~~and~~ 2–201 through 2–207, respectively,
 33 and the subtitle “Subtitle 2. Maryland Economic Development Commission”; ~~and~~ 6–502,
 34 6–503, 6–509, 6–510, 6–515, 6–516, 6–524, and 6–525, respectively, of Article – Economic
 35 Development of the Annotated Code of Maryland be renumbered to be Section(s) 2.5–104
 36 through 2.5–110, respectively; ~~and~~ 2.5–201 through 2.5–207, respectively, and the subtitle
 37 “Subtitle 2. Maryland Economic Development Commission”; ~~and~~ 10–472, 10–473, 10–479,
 38 10–480, 10–484, 10–485, 10–494, and 10–495, respectively.

39 SECTION 1A. AND BE IT FURTHER ENACTED, That the subtitle designation
 40 “Subtitle 6. Enterprise Fund” immediately preceding Section 5–601, and the subtitle

1 designation “Subtitle 5. Invest Maryland Program” immediately preceding Section 6–501
2 be repealed.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
4 as follows:

5 **Article – Economic Development**

6 Division I. [Department of Business and Economic Development.] **SECRETARY OF**
7 **COMMERCE AND DEPARTMENT OF ECONOMIC COMPETITIVENESS AND**
8 **COMMERCE.**

9 1–101.

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

11 (c) “Department” means the Department of [Business and Economic
12 Development] **ECONOMIC COMPETITIVENESS AND COMMERCE.**

13 (f) “Secretary” means the Secretary of [Business and Economic Development]
14 **COMMERCE.**

15 Title 2. [Department of Business and Economic Development.] **SECRETARY OF**
16 **COMMERCE.**

17 Subtitle 1. [Organization and General Authority of Department.] **OFFICE OF THE**
18 **SECRETARY.**

19 [2–101.

20 There is a Department of Business and Economic Development, which is a principal
21 department of the State government.]

22 **2–101.**

23 **(A) THERE IS AN OFFICE OF THE SECRETARY OF COMMERCE IN THE**
24 **OFFICE OF THE GOVERNOR.**

25 **(B) THE HEAD OF THE OFFICE IS THE SECRETARY.**

26 **(C) (1) THE SECRETARY IS THE HEAD OF ECONOMIC DEVELOPMENT**
27 **POLICY AND IMPLEMENTATION EFFORTS IN THE STATE.**

1 **(2) THE SECRETARY IS THE HEAD OF AND IS RESPONSIBLE FOR THE**
 2 **OPERATIONS OF THE DEPARTMENT OF ECONOMIC COMPETITIVENESS AND**
 3 **COMMERCE ESTABLISHED UNDER TITLE 2.5 OF THIS ARTICLE.**

4 **(D) (1) THE SECRETARY ALSO ~~OVERSEES~~ MONITORS THE OPERATIONS**
 5 **OF:**

6 **(I) THE MARYLAND ~~TECHNOLOGY~~ ECONOMIC DEVELOPMENT**
 7 **CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE ~~4~~ 1 OF THIS ARTICLE; AND**

8 **(II) THE MARYLAND ~~PUBLIC-PRIVATE PARTNERSHIP~~**
 9 **~~MARKETING~~ TECHNOLOGY DEVELOPMENT CORPORATION ESTABLISHED UNDER**
 10 **TITLE 10, SUBTITLE ~~9~~ 4 OF THIS ARTICLE.**

11 **(2) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO LIMIT THE**
 12 **INDEPENDENCE OR OPERATIONS OF THESE CORPORATIONS.**

13 2-102.

14 (a) **[(1)]** The Governor shall appoint the Secretary of [Business and Economic
 15 Development] **COMMERCE** with the advice and consent of the Senate.

16 **[(2) The Secretary is the head of the Department.]**

17 (b) Before taking office, the appointee shall take the oath required by Article I, §
 18 9 of the Maryland Constitution.

19 (c) (1) The Secretary serves at the pleasure of the Governor and is responsible
 20 directly to the Governor.

21 (2) The Secretary shall advise the Governor on all matters assigned to the
 22 [Department] **THE UNITS UNDER THE JURISDICTION OF THE SECRETARY** and is
 23 responsible for carrying out the Governor's policies on matters assigned to the
 24 [Department] **THE UNITS UNDER THE JURISDICTION OF THE SECRETARY.**

25 (d) The Secretary is entitled to the compensation provided in the State budget.

26 2-103.

27 (a) The Secretary[:

28 (1) is responsible for the operation of the Department; and

29 (2)] shall:

1 **(1) CONSULT WITH AND ADVISE SECRETARIES OF OTHER PRINCIPAL**
2 **DEPARTMENTS ON COORDINATION OF THE ACTIVITIES OF THE DEPARTMENTS THAT**
3 **RELATE TO ECONOMIC DEVELOPMENT POLICY AND IMPLEMENTATION EFFORTS IN**
4 **THE STATE;**

5 **(2) establish guidelines and procedures to promote the orderly and efficient**
6 **administration of the Department; AND**

7 **(3) MONITOR THE ACTIVITIES OF AND COORDINATE POLICY FOR:**

8 **(I) THE MARYLAND ~~TECHNOLOGY~~ ECONOMIC DEVELOPMENT**
9 **CORPORATION; AND**

10 **(II) THE MARYLAND PUBLIC PRIVATE PARTNERSHIP**
11 **~~MARKETING~~ TECHNOLOGY DEVELOPMENT CORPORATION.**

12 (b) The Secretary may establish, reorganize, or abolish areas of responsibility in
13 the office of the Secretary as necessary to fulfill effectively the duties assigned to the
14 Secretary.

15 2-104.

16 The Secretary shall have a seal.

17 2-105.

18 (a) With the approval of the Governor, the Secretary shall appoint a deputy
19 secretary.

20 (b) The deputy secretary:

21 (1) serves at the pleasure of the Secretary; and

22 (2) is entitled to the compensation provided in the State budget.

23 (c) The deputy secretary shall have the duties provided by law or delegated by
24 the Secretary.

25 2-106.

26 (a) In accordance with the State budget, the Secretary may employ a staff and
27 retain professional consultants in the office of the Secretary.

28 (b) The Secretary may designate a staff assistant to be in charge of a particular
29 area of responsibility in the office of the Secretary.

1 (c) (1) Each staff assistant in the office of the Secretary in charge of a
2 particular area of responsibility and each professional consultant is appointed by and
3 serves at the pleasure of the Secretary.

4 (2) Unless otherwise provided by law, the Secretary shall appoint and
5 remove all other employees in the office of the Secretary in accordance with the provisions
6 of the State Personnel and Pensions Article that govern skilled service or professional
7 service employees with the exception of special appointments.

8 2-107.

9 (a) The appointment or removal of personnel by a unit under the jurisdiction of
10 the Department is subject to the approval of the Secretary.

11 (b) The Secretary may delegate the approval authority under subsection (a) of
12 this section to the head or governing body of the unit.

13 2-108.

14 (a) The Secretary shall adopt regulations for the office of the Secretary.

15 (b) (1) Subject to § [2-206] **2.5-206** of this [title] **ARTICLE**, the Secretary
16 shall review regulations of a unit under the jurisdiction of the Department.

17 (2) The Secretary may approve, disapprove, or revise regulations of a unit.

18 2-109.

19 The Secretary is responsible for the budget of the office of the Secretary and for the
20 budget of each unit under the jurisdiction of the Department.

21 2-110.

22 (a) The Secretary is responsible for the coordination and direction of all planning
23 activities that the office of the Secretary initiates.

24 (b) The Secretary shall keep fully apprised of and may approve, disapprove, or
25 modify the plans, proposals, and projects of units under the jurisdiction of the Department.

26 2-111.

27 The Secretary may not remove an appointee to a particular office in the Department
28 without first obtaining the Governor's approval if the law provides that:

29 (1) the Secretary is required to make the appointment with the consent of
30 the Governor; and

- 1 (2) the appointee:
- 2 (i) serves at the pleasure of the Secretary; or
- 3 (ii) may be removed by the Secretary with or without cause.

4 2–112.

5 The Secretary may call a meeting of any unit under the jurisdiction of the
6 [Department] **SECRETARY** to consider any subject.

7 2–113.

8 (a) This section does not apply to a power, duty, responsibility, or function that is
9 granted to the Maryland Economic Development Commission under Subtitle 2 of this title.

10 (b) The Secretary may exercise any power, duty, responsibility, or function of any
11 unit under the jurisdiction of the Department.

12 2–114.

13 Except as otherwise provided by law, each unit under the jurisdiction of the
14 [Department] **SECRETARY** shall report to the Secretary or to the Secretary's designee as
15 provided in the regulations or written directives of the Secretary.

16 2–115.

17 (a) In accordance with the State budget, the Secretary may set the compensation
18 of a Department employee in a position that:

- 19 (1) is unique to the Department;
- 20 (2) requires specific skills or experience to perform the duties of the
21 position; and
- 22 (3) does not require the employee to perform functions that are comparable
23 to functions performed in other units of the Executive Branch of State government.

24 (b) The Secretary of Budget and Management shall determine:

- 25 (1) position categories for special appointments in the Department; and
- 26 (2) in consultation with the Secretary, the positions for which the Secretary
27 may set compensation under subsection (a) of this section.

28 2–116.

1 (a) This section does not apply to a unit under the jurisdiction of the Department
2 to the extent that the unit is authorized by law to employ its own legal counsel.

3 (b) The Attorney General is the legal adviser to the Department.

4 (c) The Attorney General shall assign to the Department the number of assistant
5 Attorneys General that are authorized by law for the Department and its units.

6 (d) (1) The Attorney General shall designate one of the assistant Attorneys
7 General assigned to the Department as counsel to the Department and may not reassign
8 that individual without consulting with the Secretary.

9 (2) The counsel may only:

10 (i) advise the Secretary, the Maryland Economic Development
11 Commission, and any other official of the Department as they require;

12 (ii) supervise the other assistant Attorneys General assigned to the
13 Department; and

14 (iii) perform for the Department the other duties that the Attorney
15 General assigns.

16 (3) The other assistant Attorneys General shall perform for the
17 Department the other duties that the Attorney General assigns.

18 **TITLE 2.5. DEPARTMENT OF ECONOMIC COMPETITIVENESS AND COMMERCE.**

19 **SUBTITLE 1. ORGANIZATION AND GENERAL AUTHORITY OF THE DEPARTMENT.**

20 **2.5-101.**

21 **(A) THERE IS A DEPARTMENT OF ECONOMIC COMPETITIVENESS AND**
22 **COMMERCE.**

23 **(B) THE DEPARTMENT IS A PRINCIPAL DEPARTMENT OF STATE**
24 **GOVERNMENT.**

25 **2.5-102.**

26 **THE SECRETARY:**

27 **(1) IS THE HEAD OF THE DEPARTMENT; AND**

28 **(2) IS RESPONSIBLE FOR THE OPERATIONS OF THE DEPARTMENT.**

1 **2.5-103.**

2 (A) (1) **THE SECRETARY SHALL EMPLOY AN EXECUTIVE DIRECTOR.**

3 (2) **THE EXECUTIVE DIRECTOR:**

4 (I) **SERVES AT THE PLEASURE OF THE SECRETARY; AND**

5 (II) **IS ENTITLED TO COMPENSATION PROVIDED IN THE STATE**
6 **BUDGET.**

7 (B) (1) **THE EXECUTIVE DIRECTOR SHALL MANAGE THE OPERATIONS OF**
8 **THE DEPARTMENT ON BEHALF OF THE SECRETARY.**

9 (2) **THE EXECUTIVE DIRECTOR:**

10 (I) **SHALL ADVISE THE SECRETARY ON ALL MATTERS ASSIGNED**
11 **TO THE DEPARTMENT; AND**

12 (II) **IS RESPONSIBLE FOR CARRYING OUT THE SECRETARY'S**
13 **POLICIES ON MATTERS ASSIGNED TO THE DEPARTMENT.**

14 (C) **THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND**
15 **POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE**
16 **DEPARTMENT.**

17 **2.5-104.**

18 (a) Except as otherwise provided by law, the Secretary:

19 (1) shall determine the organizational structure of the Department; and

20 (2) may create or abolish units in the Department.

21 (b) (1) The Governor or the Secretary may establish advisory or
22 decision-making units for the Department.

23 (2) The units shall advise and assist the Secretary on the policies,
24 programs, and activities of the Department.

25 (3) The Governor or the Secretary shall determine the size, qualifications,
26 method of appointment, terms, compensation, manner of removal, and method of filling
27 vacancies of the units.

1 **(C) (1) THE SECRETARY SHALL ESTABLISH REGIONAL OFFICES IN THE**
2 **LOCAL JURISDICTIONS.**

3 **(2) THE REGIONAL OFFICES SHALL:**

4 **(I) ADVISE THE SECRETARY ON WHETHER THE ECONOMIC**
5 **NEEDS OF EACH LOCAL JURISDICTION ARE BEING ADDRESSED; AND**

6 **(II) COORDINATE WITH MUNICIPAL AND LOCAL ECONOMIC**
7 **DEVELOPMENT AGENCIES.**

8 2.5-105.

9 To attract and encourage business development and serve the needs of business, the
10 Department shall:

11 (1) advance the economic welfare of the public through programs and
12 activities that develop in a proper manner the natural resources and economic
13 opportunities of the State;

14 (2) promote and encourage the location and creation of new industries and
15 businesses in the State and encourage the retention and expansion of existing industries;

16 (3) support the creation of new businesses and the growth of existing
17 businesses in the State by improving their quality, productivity, and competitive position
18 in the global marketplace;

19 (4) assist the growth and revitalization of small businesses;

20 (5) support the growth of the State and regional economies by providing
21 consulting, technical assistance, and liaison activities on business and economic
22 development issues;

23 (6) promote the development of international trade activities;

24 (7) assist businesses and employees through training and other
25 employment services;

26 (8) promote regulatory reform and coordinate efforts with other State and
27 local units; and

28 (9) foster and develop employment opportunities for residents of the State.

29 2.5-106.

30 The Department shall:

- 1 (1) investigate and assemble information about the economic development,
2 industrial opportunities, and economic resources of the State, including raw materials,
3 power and water resources, transportation facilities, markets, labor, banking and financing
4 facilities, industrial sites, and other fields of research;
- 5 (2) encourage location and development of new businesses in the State and
6 the retention and expansion of present enterprises in coordination with local governments
7 and local economic development units;
- 8 (3) encourage formation of local and sectional development committees and
9 cooperate with local civic groups and other local, State, and federal development units;
- 10 (4) disseminate information in the interest of industrial development in the
11 State, by publication, advertising, and other means;
- 12 (5) assist businesses in the areas of technology development and
13 commercialization, small business development, workforce development and productivity,
14 manufacturing modernization, and defense conversion;
- 15 (6) serve as an ombudsman for businesses affected by State policies and
16 programs;
- 17 (7) coordinate business assistance service delivery to individual companies;
- 18 (8) link groups of businesses to address regional and industry specific
19 needs;
- 20 (9) broker information exchange and entrepreneurial services that
21 enhance economic development through partnerships with businesses, not-for-profit
22 organizations, professional groups, local economic development entities, and local
23 governments;
- 24 (10) assist in developing and conducting regional strategic planning and
25 coordinating State investments with regional economic development entities;
- 26 (11) collect and assemble information and data available from other State
27 units OR INSTRUMENTALITIES;
- 28 (12) monitor economic conditions, release reports, and maintain
29 interindustry models of State regulations and local economies;
- 30 (13) use community colleges in the State to help deliver services;
- 31 (14) administer the programs in the Department; [and]

1 (15) coordinate its efforts and activities with the Apprenticeship and
2 Training Council and Apprenticeship and Training Program in the Department of Labor,
3 Licensing, and Regulation;

4 (16) ESTABLISH AND MONITOR PERFORMANCE MEASURES TO
5 DETERMINE THE SUCCESS OF OUTREACH EFFORTS TO BUSINESSES; ~~AND~~

6 (17) FACILITATE REGULAR MEETINGS AMONG ITS REGIONAL EXPERTS,
7 FINANCIAL INCENTIVE TEAM, AND TOURISM DEVELOPMENT TEAM TO DETERMINE
8 THE SUCCESS IN MEETING OVERALL ECONOMIC DEVELOPMENT STRATEGIC GOALS
9 AND IN ADDRESSING THE ECONOMIC DEVELOPMENT NEEDS OF EACH REGION; AND

10 (18) WORK WITH COMMUNITY COLLEGES TO ENHANCE THE ROLE OF
11 COMMUNITY COLLEGES IN PROVIDING WORKFORCE TRAINING SERVICES,
12 INCLUDING INDUSTRY-SPECIFIC EDUCATION AND TRAINING IN RESPONSE TO THE
13 NEEDS OF THE STATE.

14 2.5-107.

15 (a) The Department shall support industry-led regional technology councils that
16 help private enterprises attempting to establish or expand manufacturing and
17 technology-based businesses.

18 (b) The Department may:

19 (1) select an entity as the regional technology council for a particular
20 region; and

21 (2) determine the geographic areas that constitute a region for purposes of
22 this section.

23 (c) The Department may support a regional technology council through grants,
24 loans, in-kind assistance, advice, or other assistance.

25 2.5-108.

26 (a) To the extent practicable, the Department shall use pertinent data obtained
27 from units OR INSTRUMENTALITIES of the State when collecting and assembling
28 information.

29 (b) Except to the extent that disclosure is prohibited by law, the Department has
30 access to all records, data, information, and statistics of other units OR
31 INSTRUMENTALITIES of the State.

32 ~~2.5-109.~~

1 ~~(a) The Department may establish a consolidated publications account.~~

2 ~~(b) The Department may place in the account excess revenues that remain at the~~
 3 ~~end of the fiscal year that are derived from publications of the Department or its units.~~

4 ~~(c) The Department may only use the account to produce, distribute, and promote~~
 5 ~~publications, including free publications, of the Department and its units.~~

6 ~~(d) (1) Any unexpended money in the account at the end of a fiscal year not~~
 7 ~~exceeding \$40,000:~~

8 ~~(i) does not revert to the General Fund of the State; but~~

9 ~~(ii) shall be maintained as a special fund.~~

10 ~~(2) Any unexpended money in the account at the end of a fiscal year~~
 11 ~~exceeding \$40,000 reverts to the General Fund under § 7-302 of the State Finance and~~
 12 ~~Procurement Article.~~

13 ~~2.5-110. 2.5-109.~~

14 (a) In this section, “economic development program” means:

15 (1) each of the economic development and financial assistance programs
 16 established under Title 5 of this article; and

17 (2) each of the tax credit programs administered by the Department,
 18 including:

19 (i) the Film Production Activity Tax Credit;

20 (ii) the Job Creation Tax Credit;

21 (iii) the One Maryland Economic Development Tax Credit;

22 (iv) [the Invest Maryland Program;

23 (v)] the Biotechnology Investment Incentive Tax Credit; and

24 [(vi)] (v) the Research and Development Tax Credit.

25 (b) The Department shall compile data in accordance with this section on the
 26 economic development programs administered by the Department.

27 (c) On or before December 31, 2013, and each year thereafter, the Department
 28 shall submit a report on the economic development programs that were administered by

1 the Department during the previous fiscal year to the Governor and, in accordance with §
2 2–1246 of the State Government Article, the General Assembly.

3 (d) (1) The report required under this section shall include the following data,
4 if applicable, on the economic development programs administered by the Department:

5 (i) the number of jobs created;

6 (ii) the number of jobs retained;

7 (iii) the estimated amount of State revenue generated; and

8 (iv) any additional information required by the Department through
9 regulations.

10 (2) The report required under this section shall include data in the
11 aggregate and disaggregated by:

12 (i) each economic development program; and

13 (ii) each recipient of assistance from an economic development
14 program.

15 (e) If a recipient of assistance from an economic development program is not
16 meeting the requirements of the economic development program, the Department shall
17 implement a process to assist the recipient in meeting the program requirements.

18 2.5–201.

19 In this subtitle, “Commission” means the Maryland Economic Development
20 Commission.

21 2.5–202.

22 (a) There is a Maryland Economic Development Commission ~~in~~ **STAFFED BY** the
23 Department.

24 (b) The purpose of the Commission is to:

25 (1) establish economic development policy in the State; ~~and~~

26 (2) oversee the **OPERATIONS OF THE DEPARTMENT DEPARTMENT AND**
27 **ITS UNITS, INCLUDING THE** Department’s efforts to support the creation of, attract, and
28 retain businesses and jobs; **AND**

1 **(3) MONITOR THE OPERATIONS OF THE MARYLAND TECHNOLOGY**
 2 **DEVELOPMENT CORPORATION AND THE MARYLAND ECONOMIC DEVELOPMENT**
 3 **CORPORATION, INCLUDING THE EFFORTS OF THOSE ENTITIES TO SUPPORT THE**
 4 **CREATION, ATTRACTION, AND RETENTION OF BUSINESSES AND JOBS.**

5 2.5-203.

6 (a) (1) (i) The Commission consists of:

7 1. not more than ~~25~~ **21** voting members appointed by the
 8 Governor with the advice and consent of the Senate;

9 2. **TWO VOTING MEMBERS APPOINTED BY THE**
 10 **PRESIDENT OF THE SENATE OF MARYLAND;**

11 3. **TWO VOTING MEMBERS APPOINTED BY THE SPEAKER**
 12 **OF THE HOUSE OF DELEGATES;**

13 4. A. ONE MEMBER OF THE SENATE OF MARYLAND,
 14 DESIGNATED BY THE PRESIDENT OF THE SENATE; AND

15 B. ONE MEMBER OF THE HOUSE OF DELEGATES,
 16 DESIGNATED BY THE SPEAKER OF THE HOUSE[.]; AND

17 ~~3.~~ **5. THE FOLLOWING REPRESENTATIVES OF STATE UNITS**
 18 **AND INSTRUMENTALITIES OF THE STATE:**

19 A. **THE EXECUTIVE DIRECTOR OF THE MARYLAND**
 20 **ECONOMIC DEVELOPMENT CORPORATION, OR THE EXECUTIVE DIRECTOR'S**
 21 **DESIGNEE;**

22 B. **THE EXECUTIVE DIRECTOR OF THE MARYLAND**
 23 **TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE DIRECTOR'S**
 24 **DESIGNEE;**

25 ~~B.~~ **THE SECRETARY OF HOUSING AND COMMUNITY**
 26 **DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;**

27 C. **THE SECRETARY OR THE SECRETARY'S DESIGNEE;**
 28 **AND**

29 ~~C.~~ **D. THE SECRETARY OF LABOR, LICENSING, AND**
 30 **REGULATION, OR THE SECRETARY'S DESIGNEE;**

~~D. THE ADMINISTRATOR OF THE STATE HIGHWAY ADMINISTRATION OR THE ADMINISTRATOR'S DESIGNEE; AND~~

~~E. THE SECRETARY OF THE ENVIRONMENT OR THE SECRETARY'S DESIGNEE.~~

(ii) The Secretary, THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THEIR DESIGNEES [is a], STATE UNIT OR INSTRUMENTALITY REPRESENTATIVES, AND MEMBERS OF THE GENERAL ASSEMBLY ARE nonvoting ex officio [member] MEMBERS of the Commission.

(III) A DESIGNEE UNDER SUBPARAGRAPH ~~(I)3~~ (I)5 OF THIS PARAGRAPH MAY BE AN ADMINISTRATOR OR A SENIOR OFFICIAL OF THE UNIT OR INSTRUMENTALITY.

(2) The geographic representation of the Commission shall cover the entire State and shall include at least one representative from:

- (i) the upper Eastern Shore;
- (ii) the lower Eastern Shore;
- (iii) Calvert County, Charles County, or St. Mary's County;
- (iv) Allegany County or Garrett County; and
- (v) Carroll County, Frederick County, or Washington County.

(3) When appointing Commission members, the Governor shall consider geographic and industry representation.

(4) The members appointed shall reflect the racial and gender diversity of the population of the State.

(b) The appointed members of the Commission shall have substantial interest or experience in business or knowledge of business and economic development.

(c) The Commission and its members are subject to the Maryland Public Ethics Law.

(d) (1) The term of an appointed member is 3 years.

(2) At the end of a term, [a] AN APPOINTED member continues to serve until a successor is appointed and qualifies.

1 (3) A member appointed after a term has begun serves only for the
2 remainder of the term and until a successor is appointed and qualifies.

3 (4) The terms of the **APPOINTED** members are staggered as required by
4 the terms provided for members of the Commission on October 1, 2008.

5 (5) A member may be removed by the Governor with or without cause.

6 2.5–204.

7 (a) The Governor shall designate a chair or co–chairs from the voting members of
8 the Commission.

9 (b) The Commission may elect an executive committee **OR FORM SPECIAL**
10 **SUBCOMMITTEES** from its members to exercise the powers and functions of the
11 Commission between meetings of the Commission.

12 2.5–205.

13 (a) (1) The Commission shall meet as often as its duties require, but not less
14 than quarterly.

15 (2) The chair or co–chairs shall designate a time and place for meetings of
16 the Commission.

17 (b) A majority of the voting members of the Commission is a quorum.

18 (c) A voting member of the Commission:

19 (1) may not receive compensation as a member of the Commission; but

20 (2) is entitled to reimbursement in accordance with the Standard State
21 Travel Regulations as provided in the State budget.

22 (d) The Department shall provide staff support to the Commission.

23 2.5–206.

24 (a) The Commission may:

25 (1) adopt bylaws for the conduct of its business;

26 (2) hire consultants; and

27 (3) do anything necessary or convenient to carry out its powers and the
28 purposes of this subtitle.

- 1 (b) The Commission shall:
- 2 (1) develop and update an economic development strategic plan for the
3 State;
- 4 (2) seek ideas and advice from each region of the State to develop the
5 economic development strategic plan;
- 6 (3) incorporate into the economic development strategic plan the Maryland
7 Port Administration strategic plan developed for the Helen Delich Bentley Port of
8 Baltimore;
- 9 (4) recommend to the Governor **AND THE SECRETARY** the program and
10 spending priorities needed to implement the economic development strategic plan;
- 11 (5) review the allocation of financing incentives;
- 12 (6) participate in [marketing the State and] encouraging new businesses
13 to locate in the State;
- 14 (7) seek contributions from the private sector to supplement economic
15 development programs and financial incentives to business; [and]
- 16 **(8) CONDUCT PERIODIC REVIEWS OF THE ECONOMIC DEVELOPMENT**
17 **ACTIVITIES OF THE DEPARTMENT, THE MARYLAND ECONOMIC DEVELOPMENT**
18 **CORPORATION, AND THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION**
19 **FOR COMPLIANCE WITH THE ECONOMIC DEVELOPMENT STRATEGIC PLAN;**
- 20 **(9) MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE**
21 **SECRETARY TO IMPROVE ECONOMIC DEVELOPMENT ACTIVITIES THAT FAIL TO**
22 **ACHIEVE ECONOMIC DEVELOPMENT STRATEGIC GOALS OR ARE INCONSISTENT WITH**
23 **PRIORITIES UNDER THE ECONOMIC DEVELOPMENT STRATEGIC PLAN; AND**
- 24 **[(8)] (10)** carry out other economic development activities that the
25 Governor **OR THE SECRETARY** requests.
- 26 (c) The Commission may spend money raised under subsection (b) of this section
27 only in accordance with the State budget.
- 28 (d) Departmental regulations that pertain to financing programs shall be
29 approved by the Commission before adoption.
- 30 **(E) THE DEPARTMENT MAY NOT SUBMIT A BUDGET REQUEST BEFORE THE**
31 **COMMISSION REVIEWS THE REQUEST.**
- 32 2.5–207.

1 (a) On or before January 15 of each year, the Commission shall report to the
 2 General Assembly, in accordance with § 2-1246 of the State Government Article, on its
 3 activities during the previous year.

4 (b) The report shall include a review of initiatives taken by the Commission and
 5 the Department to implement the economic development strategic plan.

6 3-201.

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

8 (b) “Advisory Board” means the Maryland Life Sciences Advisory Board.

9 (c) **“CORPORATION” MEANS THE MARYLAND TECHNOLOGY**
 10 **DEVELOPMENT CORPORATION.**

11 (D) “Life sciences” includes the fields of biotechnology, pharmaceuticals,
 12 biomedical technologies, life systems technologies, food sciences, environmental sciences,
 13 and biomedical devices.

14 3-202.

15 (a) There is a Maryland Life Sciences Advisory Board in the ~~Department~~
 16 **CORPORATION.**

17 (b) The purpose of the Advisory Board is to recommend State and federal policies,
 18 priorities, practices, and legislation to expedite the creation of private sector jobs through
 19 the commercialization of life sciences research.

20 3-203.

21 (a) The Advisory Board consists of the following ~~18~~ **19** members:

22 (1) the Secretary **OR THE SECRETARY’S DESIGNEE;**

23 (2) [a representative] **THE EXECUTIVE DIRECTOR** of the [Maryland
 24 Technology Development] ~~Corporation~~ **DEPARTMENT**, [designated by the Maryland
 25 Technology Development Corporation] **OR THE EXECUTIVE DIRECTOR’S DESIGNEE; and**

26 (3) **THE EXECUTIVE DIRECTOR OF THE CORPORATION, OR THE**
 27 **EXECUTIVE DIRECTOR’S DESIGNEE; AND**

28 (4) the following members appointed by the Governor:

1 (i) three representing federal agencies located in the State with life
2 sciences missions;

3 (ii) seven with executive experience in life sciences businesses
4 located in the State, at least four of whom represent small businesses;

5 (iii) four representing institutions of higher education located in the
6 State, one of whom shall represent a community college;

7 (iv) one with general business marketing experience in a life sciences
8 business located in the State; and

9 (v) one member of the general public.

10 (b) The composition of the Advisory Board shall reflect the racial and gender
11 diversity of the population of the State.

12 (c) (1) Except for the Secretary **OR THE SECRETARY'S DESIGNEE, THE**
13 **EXECUTIVE DIRECTOR OF THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S**
14 **DESIGNEE, AND THE EXECUTIVE DIRECTOR OF THE CORPORATION OR THE**
15 **EXECUTIVE DIRECTOR'S DESIGNEE**, the term of an Advisory Board member is 2 years.

16 (2) At the end of a term, a member continues to serve until a successor is
17 appointed and qualifies.

18 (3) A member who is appointed after a term has begun serves only for the
19 rest of the term and until a successor is appointed and qualifies.

20 (d) The Governor may remove a member of the Advisory Board for incompetence,
21 misconduct, or failure to perform the duties of the position.

22 (e) The Governor shall select a chair from among the members of the Advisory
23 Board.

24 (f) The Advisory Board may act with an affirmative vote of eight members.

25 (g) A member of the Advisory Board:

26 (1) may not receive compensation as a member of the Advisory Board; but

27 (2) is entitled to reimbursement for expenses under the Standard State
28 Travel Regulations, as provided in the State budget.

29 3-204.

30 (a) The Advisory Board shall assist the ~~Department~~ **CORPORATION** in:

1 (1) developing a comprehensive State strategic plan for life sciences;

2 (2) promoting life sciences research, development, commercialization, and
3 manufacturing in the State;

4 (3) promoting collaboration and coordination among life sciences
5 organizations in the State;

6 (4) promoting collaboration and coordination among research institutions
7 of higher education in the State;

8 (5) developing a strategy to coordinate State and federal resources to
9 attract private sector investment and job creation in the life sciences;

10 (6) developing a strategy to support federal life sciences facilities located
11 in the State, including support for education, transportation, housing, and capital
12 investment needs; and

13 (7) making recommendations to address critical needs in the life sciences,
14 including access to venture capital and capital construction funding.

15 (b) In performing its duties, the Advisory Board shall give due consideration to
16 the business, scientific, medical, and ethical aspects of the life sciences industry.

17 3–205.

18 (a) The Advisory Board shall report to the Governor and, in accordance with §
19 2–1246 of the State Government Article, to the General Assembly on or before December
20 15 of each year.

21 (b) The report shall include any recommendations from the Advisory Board and
22 a summary of the activities of the Advisory Board during the preceding year.

23 **10–466. RESERVED.**

24 **10–467. RESERVED.**

25 **PART VII. ENTERPRISE FUND AND INVEST MARYLAND PROGRAM.**

26 **[5–601.] 10–468.**

27 **(A) In this subtitle[,] THE FOLLOWING WORDS HAVE THE MEANINGS**
28 **INDICATED.**

29 **(B) “CORPORATION” MEANS THE MARYLAND TECHNOLOGY**
30 **DEVELOPMENT CORPORATION.**

1 (C) "Fund" means the Enterprise Fund established under [\§ 5-602] § 10-469 of
2 this subtitle.

3 [5-602.] 10-469.

4 (a) There is an Enterprise Fund in the [Department] CORPORATION.

5 (b) The [Department] CORPORATION may use the Fund to:

6 (1) make a grant or loan, at the rate of interest set by the [Department]
7 CORPORATION;

8 (2) provide equity investment financing for a business enterprise;

9 (3) guarantee a loan, equity, investment, or other private financing to
10 expand the capital resources of a business enterprise;

11 (4) purchase advisory services and technical assistance to better support
12 economic development;

13 (5) pay the [Department's] CORPORATION'S obligations to a venture firm
14 under the Invest Maryland Program, as provided under [§ 6-522(c)(2)(i)] §
15 10-492(C)(2)(I) of this [article] SUBTITLE; and

16 (6) pay the administrative, legal, and actuarial expenses of the
17 [Department] CORPORATION.

18 (c) The [Secretary] CORPORATION shall manage and supervise the Fund.

19 (d) (1) The Fund is a special, nonlapsing revolving fund that is not subject to
20 reversion under § 7-302 of the State Finance and Procurement Article.

21 (2) The Treasurer shall hold the Fund and the Comptroller shall account
22 for it.

23 (e) [(1) Except as provided in paragraph (2) of this subsection, Division II of the
24 State Finance and Procurement Article does not apply to a service that the Department
25 obtains that is related to the investment, management, analysis, purchase, or sale of an
26 asset of the Department in a transaction authorized under this subtitle, including a
27 commission related to the transfer of a share of stock in a business entity.

28 (2) The Department is subject to Title 12, Subtitle 4 of the State Finance
29 and Procurement Article for services related to the investment, management, analysis,
30 purchase, or sale of assets of the Department in any transaction authorized under this

1 subtitle, including commissions related to the transfer of shares of stock in a business
2 entity.

3 (f) (1) Section 10–305 of the State Finance and Procurement Article does not
4 apply to the sale, lease, transfer, exchange, or other disposition of real or personal property,
5 including a share of stock in a business entity, that the Department acquires in a
6 transaction authorized under this subtitle.

7 (2) The Department shall consult with the Treasurer in connection with
8 the proposed disposition of property that the Department acquires under this subtitle.

9 (g) The Fund consists of:

10 (1) money appropriated by the State to the Fund;

11 (2) money made available to the Fund through federal programs or private
12 contributions;

13 (3) repayment of principal of a loan made from the Fund;

14 (4) payment of interest on a loan made from the Fund;

15 (5) proceeds from the sale, disposition, lease, or rental by the [Department]
16 CORPORATION of collateral related to financing that the [Department] CORPORATION
17 provides under this subtitle;

18 (6) premiums, fees, royalties, interest, repayments of principal, and
19 returns on investments paid to the [Department] CORPORATION by or on behalf of:

20 (i) a business enterprise in which the [Department]
21 CORPORATION has made an investment under this subtitle; or

22 (ii) an investor providing an investment guaranteed by the
23 [Department] CORPORATION under this subtitle;

24 (7) recovery of an investment made by the [Department] CORPORATION
25 in a business enterprise under this subtitle, including an arrangement under which the
26 [Department's] CORPORATION'S investment in the business enterprise is recovered
27 through:

28 (i) a requirement that the [Department] CORPORATION receive a
29 proportion of cash flow, commission, royalty, or payment on a patent; or

30 (ii) the repurchase from the [Department] CORPORATION of any
31 evidence of financial participation, including a note, stock, bond, or debenture;

1 (8) repayment of a conditional grant extended by the [Department]
2 CORPORATION;

3 (9) money deposited into the Fund under [§ 6-522(c)(2)(i)] §
4 10-492(C)(2)(I) of this [article] SUBTITLE; and

5 (10) any other money made available to the [Department] CORPORATION
6 for the Fund.

7 **[(h)] (F)** (1) The Treasurer shall invest money in the Fund in the same
8 manner as other State money.

9 (2) Any investment earnings of the Fund shall be credited to the Fund.

10 **[(i)]** Unless the Secretary determines otherwise, money in the Fund that was
11 generated by a particular unit in the Department shall be allocated for the use of that unit.]

12 [5-603.] 10-470.

13 (a) The [Department] CORPORATION may require that all or part of a grant be
14 repaid, with interest at a rate the [Department] CORPORATION sets, when conditions
15 specified by the [Department] CORPORATION occur.

16 (b) (1) Whenever the [Department] CORPORATION is authorized by law to
17 make a grant, including a grant from the Economic Development Opportunities Program
18 Account authorized under § 7-314 of the State Finance and Procurement Article, the
19 [Department] CORPORATION may use money appropriated for the grant to make an
20 equity investment in a business enterprise.

21 (2) (i) Except as provided in subparagraph (ii) of this paragraph, in
22 making an equity investment under this subtitle, the [Department] CORPORATION may
23 not acquire an ownership interest in an enterprise that exceeds 25%.

24 (ii) In making an equity investment under this subtitle in one or
25 more venture or private equity firms, the [Department] CORPORATION may acquire an
26 ownership interest exceeding 25%.

27 (3) Within 15 years after making an equity investment under this subtitle,
28 the [Department] CORPORATION shall divest itself of that investment.

29 (4) The liability of the State and the [Department] CORPORATION in
30 making an equity investment under this subtitle is limited to the amount of that
31 investment.

1 (5) The [Department] CORPORATION shall adopt regulations governing
2 equity investments under this subsection that specify:

3 (i) the types of business enterprises in which an investment may be
4 made;

5 (ii) the basic standards an enterprise shall meet to qualify for an
6 investment;

7 (iii) the amount of money available for investment; and

8 (iv) the criteria that the [Department] CORPORATION uses to make
9 investment decisions.

10 ~~6-501.~~ 10-471.

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

12 (b) (1) “Affiliate” means:

13 (i) a person who, directly or indirectly, beneficially owns, controls,
14 or holds power to vote 15% or more of the outstanding voting securities or other voting
15 ownership interests of a venture firm or an insurance company; or

16 (ii) a person, 15% or more of whose outstanding voting securities or
17 other voting ownership interests is directly or indirectly beneficially owned, controlled, or
18 held with power to vote by a venture firm or an insurance company.

19 (2) “Affiliate” does not include an insurance company that becomes a
20 purchaser in accordance with an allocation of investment tax credits under the Program
21 solely by reason of the allocation.

22 (c) “Allocation amount” means the total amount of tax credits allocated to a
23 purchaser.

24 (d) “Allocation date” means the date on which tax credits are allocated to a
25 purchaser under ~~§ 6-513~~ § 10-483 of this subtitle.

26 (e) “Authority” means the Maryland Venture Fund Authority established under
27 § 6-504 of this subtitle.

28 (f) **“CORPORATION” MEANS THE MARYLAND TECHNOLOGY**
29 **DEVELOPMENT CORPORATION.**

30 (g) “Designated capital” means the amount of money that a purchaser invests
31 under the Program.

1 **[(g)] (H)** “Enterprise Fund” means the Enterprise Fund under Title 5, Subtitle 6
2 of this article.

3 **[(h)] (I)** “Financing Authority” means the Maryland Small Business
4 Development Financing Authority under Title 5, Subtitle 5 of this article.

5 **[(i)] (J)** “Insurance premium tax liability” means:

6 (1) any liability incurred by an insurance company under Title 6, Subtitle
7 1 of the Insurance Article as of October 1, 2011; or

8 (2) if the liability referred to in item (1) of this subsection is eliminated or
9 reduced, any other tax liability that has been imposed by the State on the insurance
10 company as of October 1, 2011, not to exceed the amount of the liability eliminated or
11 reduced.

12 **[(j)] (K)** “Premium tax credit” means a credit against insurance premium tax
13 liability offered to a purchaser under the Program.

14 **[(k)] (L)** “Program” means the Invest Maryland Program under this subtitle.

15 **[(l)] (M)** “Purchaser” means:

16 (1) an insurance company that:

17 (i) is authorized to do business in the State;

18 (ii) has insurance premium tax liability; and

19 (iii) contributes designated capital to purchase an allocation of
20 premium tax credits under the Program; or

21 (2) a holding company that:

22 (i) has at least one insurance company subsidiary authorized to do
23 business in the State; and

24 (ii) is contributing designated capital on behalf of one or more of
25 these subsidiaries.

26 **[(m)] (N)** “Qualified business” means a business that, at the time of the first
27 investment in the business under the Program:

1 (1) has its principal business operations located in the State and intends to
2 maintain its principal business operations in the State after receiving an investment under
3 the Program;

4 (2) has agreed to use the qualified investment primarily to:

5 (i) support business operations in the State; or

6 (ii) in the case of a start-up company, establish and support business
7 operations in the State;

8 (3) has not more than 250 employees; and

9 (4) is not primarily engaged in:

10 (i) retail sales;

11 (ii) real estate development;

12 (iii) the business of insurance, banking, or lending; or

13 (iv) the provision of professional services by accountants, attorneys,
14 or physicians.

15 **[(n)] (O)** (1) “Qualified distribution” means a distribution or payment by a
16 venture firm of the State’s proportionate allocation of costs in connection with:

17 (i) the reasonable costs and expenses of organizing and syndicating
18 the venture firm, including fees paid for professional services, up to a maximum aggregate
19 amount of \$125,000;

20 (ii) reasonable and necessary fees paid for ongoing professional
21 services, including legal and accounting services, related to the operation of the venture
22 firm, up to a maximum aggregate amount of \$50,000 in a single year; and

23 (iii) a yearly management fee in an amount that does not exceed 2.5%
24 of the designated capital allocated to the venture firm.

25 (2) “Qualified distribution” does not include any costs and expenses related
26 to lobbying or government relations.

27 **[(o)] (P)** (1) “Qualified investment” means the direct or indirect investment
28 of cash by the Enterprise Fund or the Financing Authority in a qualified business for the
29 purchase of any of the following:

30 (i) a share of stock or other equity interest;

- 1 (ii) a debt instrument that is convertible into equity; or
- 2 (iii) an equity participation instrument such as an option or warrant.

3 (2) A qualified investment includes the direct or indirect investment of
4 cash by a venture firm based on the investment criteria set forth in this subtitle.

5 **[(p)] (Q)** “Side car affiliate” means an entity controlled by or under common
6 control with a venture firm that is formed solely for the purpose of investing alongside the
7 venture firm.

8 **[(q)] (R)** “Venture firm” means a partnership, corporation, trust, or limited
9 liability company, whether organized on a profit or a not-for-profit basis, that is certified
10 by the **[Department] CORPORATION** as meeting the criteria established under ~~§ 6-518~~ §
11 **10-484** of this subtitle.

12 ~~§ 504.~~ **10-474.**

13 There is a Maryland Venture Fund Authority in the **[Department] CORPORATION**.

14 ~~§ 505.~~ **10-475.**

15 (a) The Authority consists of the following nine members:

- 16 (1) seven members appointed by the Governor with the advice and consent
17 of the Senate;
- 18 (2) one member appointed by the President of the Senate; and
- 19 (3) one member appointed by the Speaker of the House.

20 (b) (1) Of the seven members appointed by the Governor:

21 (i) 1. at least four shall have experience in working with
22 companies that have raised investment capital for seed-stage to venture-stage companies
23 or in providing professional services to the venture capital industry; and

24 2. one of the four members selected under item 1 of this item
25 shall have experience in higher education research and development and technology
26 transfer projects;

27 (ii) at least one shall have experience as a small business owner;

28 (iii) at least one shall have experience as a business executive that
29 has raised venture capital investments; and

1 (iv) at least one shall be a resident of a rural county in the State.

2 (2) The Governor shall consider the geographic diversity of the State when
3 appointing members.

4 (c) The members appointed by the President and the Speaker:

5 (1) may not be elected officials; and

6 (2) shall have experience and expertise in venture capital investments.

7 (d) Each member shall be a resident of the State.

8 (e) (1) The term of a member is 4 years.

9 (2) At the end of a term, a member continues to serve until a successor is
10 appointed.

11 (3) A member who is appointed after a term has begun serves only for the
12 rest of the term and until a successor is appointed.

13 (4) A member appointed by the Governor may be removed by the Governor
14 with or without cause.

15 (5) The terms of the members are staggered as required by the terms
16 provided for members of the Authority on July 1, 2011.

17 (f) A member of the Authority may not have any financial interest in a purchaser,
18 qualified business, or venture firm.

19 ~~6-506.~~ **10-476.**

20 (a) The Governor shall appoint a chair from among the members.

21 (b) The Authority shall determine the manner of election of officers and their
22 terms of office.

23 ~~6-507.~~ **10-477.**

24 (a) (1) Five members of the Authority are a quorum.

25 (2) An act of the Authority must be approved by a majority vote of the
26 members attending a meeting at which a quorum is present.

27 (b) A member of the Authority:

28 (1) may not receive compensation as a member of the Authority; but

1 (2) is entitled to reimbursement for expenses under the Standard State
2 Travel Regulations, as provided in the State budget.

3 (c) A member of the Authority shall file a public disclosure of financial interests
4 as required under the Maryland Public Ethics Law.

5 ~~6-508.~~ 10-478.

6 The Authority shall provide advice to and consult with the [Department]
7 CORPORATION in connection with the administration of the Program under this subtitle.

8 ~~6-511.~~ 10-481.

9 (a) All designated capital from purchasers shall be deposited into the Enterprise
10 Fund to be invested as provided in this subtitle.

11 (b) The [Department] CORPORATION shall allocate designated capital as
12 follows:

13 (1) 67% to one or more venture firms to fund the making of qualified
14 investments based on the criteria set forth in this subtitle, provided, that not more than
15 20% of this amount may be invested in the side car fund affiliates of the venture firms; and

16 (2) 33% to the Enterprise Fund, to be allocated:

17 (i) \$250,000 to the Rural Maryland Council for its operational
18 expenses;

19 (ii) 75% of the remaining amount to fund the making of qualified
20 investments in qualified businesses under the existing policies and procedures of the
21 Enterprise Fund under Title 5, Subtitle 6 of this article; and

22 (iii) 25% of the remaining amount to the Financing Authority Equity
23 Participation Investment Program, to be invested in qualified businesses in accordance
24 with the policies and procedures of the Financing Authority under Title 5, Subtitle 5, Part
25 V of this article.

26 (c) It is the goal of the State that a portion of the designated capital received
27 under subsection (b)(2)(ii) of this section be used to make qualified investments in qualified
28 businesses located in rural areas of the State.

29 (d) As soon as practicable after the [Department] CORPORATION receives each
30 installment of designated capital, the [Department] CORPORATION and each venture firm
31 that has been allocated designated capital shall enter into a contract under which the

1 allocated amount of designated capital will be transferred by the [Department]
2 **CORPORATION** to the venture firm for investment as provided in this subtitle.

3 (e) The [Department] **CORPORATION** shall secure the commitment of the
4 purchasers in accordance with ~~§ 6-512~~ **§ 10-482** of this subtitle.

5 ~~6-512~~ **10-482.**

6 (a) The Authority shall obtain the services of an independent third party to
7 conduct a bidding process in order to secure purchasers for the Program as provided in this
8 section.

9 (b) Using the procedures adopted by the independent third party, each potential
10 purchaser shall make a timely and irrevocable offer, subject only to the [Department's]
11 **CORPORATION'S** issuance to the purchaser of tax credit certificates, to make specified
12 contributions of designated capital to the [Department] **CORPORATION** on the dates
13 specified in ~~§ 6-513(a)~~ **§ 10-483(A)** of this subtitle.

14 (c) The offer shall include:

15 (1) the requested amount of tax credits, which may not be less than
16 \$1,000,000;

17 (2) the potential purchaser's specified contribution for each tax credit
18 dollar requested, which may not be less than the greater of:

19 (i) 70% of the requested dollar amount of tax credits; or

20 (ii) the percentage of the requested dollar amount of tax credits that
21 the Secretary, on the recommendation of the independent third party, determines to be
22 consistent with market conditions as of the offer date; and

23 (3) any other information the independent third party requires.

24 (d) (1) The deadline for submission of applications for tax credits is February
25 1, 2012.

26 (2) Each potential purchaser shall receive a written notice from the
27 [Department] **CORPORATION** not later than May 1, 2012, indicating whether or not it has
28 been approved as a purchaser and, if so, the amount of tax credits allocated.

29 (e) The maximum amount of premium tax credits that may be allocated under
30 this subtitle for all years in which premium tax credits are allocated is \$100,000,000.

31 ~~6-513~~ **10-483.**

1 (a) Designated capital committed by a purchaser shall be paid to the Enterprise
2 Fund [of the Department] in three equal yearly installments due on June 1 of 2012, 2013,
3 and 2014.

4 (b) On receipt of each installment of designated capital, the [Department]
5 **CORPORATION** shall issue to each purchaser a tax credit certificate representing a fully
6 vested credit against insurance premium tax liability equal to one-third of the total
7 premium tax credits allocated to the purchaser.

8 (c) The [Department] **CORPORATION** shall issue tax credit certificates to
9 purchasers in accordance with the bidding process selected by the independent third party
10 on behalf of the Authority under ~~§ 6-512~~ § 10-482 of this subtitle.

11 (d) The tax credit certificate shall state:

12 (1) the total amount of premium tax credits that the purchaser may claim;

13 (2) the amount of designated capital that the purchaser has contributed in
14 return for the issuance of the tax credit certificate;

15 (3) the dates on which the tax credits will be available for use by the
16 purchaser;

17 (4) any penalties or other remedies for noncompliance;

18 (5) the procedures to be used for transferring the tax credits; and

19 (6) any other requirements the [Department] **CORPORATION** considers
20 necessary.

21 (e) (1) A tax credit certificate may not be issued to any purchaser that fails to
22 make a contribution of designated capital within the time the [Department]
23 **CORPORATION** specifies.

24 (2) A purchaser that fails to make a contribution of designated capital
25 within the time the [Department] **CORPORATION** specifies shall be subject to a penalty
26 equal to 10% of the amount of designated capital that remains unpaid, payable to the
27 [Department] **CORPORATION** within 30 days after demand by the [Department]
28 **CORPORATION**.

29 (3) The [Department] **CORPORATION** may offer to reallocate the
30 defaulted designated capital among the other purchasers, so that the result after
31 reallocation is the same as if the initial allocation had been performed without considering
32 the premium tax credit allocation to the defaulting purchaser.

1 (4) If the reallocation of designated capital results in the contribution by
2 another purchaser or purchasers of the amount of designated capital not contributed by the
3 defaulting purchaser, then the [Department] CORPORATION may waive the penalty
4 provided under this subsection.

5 (5) (i) A purchaser that fails to make a contribution of designated
6 capital within the time specified may avoid the imposition of the penalty by transferring
7 the allocation of tax credits to a new or existing purchaser within 30 days after the due date
8 of the defaulted installment.

9 (ii) Any transferee of an allocation of tax credits of a defaulting
10 purchaser under this section shall agree to make the required contribution of designated
11 capital within 30 days after the date of the transfer.

12 (6) (i) The [Department] CORPORATION in its sole discretion may
13 purchase insurance or make other financial arrangements in order to ensure the
14 availability of the full amount of designated capital committed by purchasers.

15 (ii) The [Department] CORPORATION shall disclose any purchase
16 of insurance or other similar financial arrangement under this paragraph in the annual
17 report required under ~~§ 6-529~~ § 10-499 of this subtitle.

18 ~~6-514~~ 10-484.

19 (a) (1) Subject to the restriction in paragraph (2) of this subsection, a
20 purchaser may claim the premium tax credit on a premium tax return filed after December
21 31, 2014, for a taxable year that begins on or after January 1, 2014.

22 (2) In each calendar year from 2015 through 2019, a purchaser may claim
23 up to 20% of the premium tax credit allocated to that purchaser.

24 (b) (1) The credit to be applied against insurance premium tax liability in any
25 1 year may not exceed the insurance premium tax liability of the purchaser for that taxable
26 year.

27 (2) Any unused credit against insurance premium tax liability may be:

28 (i) carried forward indefinitely until the premium tax credits are
29 used; and

30 (ii) used by the purchaser without restriction during any calendar
31 year after 2019.

32 (3) On 30 days' advance notice to the [Department] CORPORATION,
33 premium tax credits allocated to a purchaser under this subtitle may be transferred
34 without further restriction to any other entity that:

- 1 (i) meets the definition of a purchaser;
- 2 (ii) is in good standing with the Maryland Insurance Administration;
- 3 and
- 4 (iii) agrees to assume all of the transferor's obligations under the
- 5 Program.

6 (c) A purchaser claiming a credit against insurance premium tax liability earned

7 through an investment under the Program is not required to pay any additional tax as a

8 result of claiming the credit.

9 (d) A purchaser is not required to reduce the amount of premium tax included by

10 the purchaser in connection with rate-making for any insurance contract written in the

11 State because of a reduction in the purchaser's insurance premium tax derived from the

12 credit granted under this subtitle.

13 ~~6-517.~~ **10-487.**

14 (a) Subject to the approval of the [Department] CORPORATION, the Authority

15 shall obtain the services of an independent third party to:

16 (1) establish application procedures for an entity to be certified as a

17 venture firm; and

18 (2) review and evaluate applications for venture firm certification under

19 this section.

20 (b) The independent third party selected by the Authority shall:

21 (1) review and evaluate the application, organizational documents, and

22 business history of each applicant;

23 (2) evaluate whether the applicant is likely to achieve the investment

24 criteria set forth in this subtitle; and

25 (3) recommend to the Authority which venture firms should receive

26 allocations of designated capital under the Program.

27 (c) (1) On receiving the recommendations of the independent third party

28 selected under subsection (a) of this section and subject to ~~§ 6-518~~ **§ 10-488** of this subtitle,

29 the Authority shall select venture firms to receive allocations of designated capital that are

30 consistent with the investment criteria set forth in this subtitle.

1 (2) The Authority shall ensure that the venture firms receiving designated
2 capital for investment under this subtitle make investments in the State that equal or
3 exceed the amount of designated capital received under this subtitle.

4 (3) Subject to the approval of the [Department] CORPORATION, the
5 Authority may enter into written agreements, including partnership agreements and side
6 agreements, that are necessary to carry out the purposes of this subtitle.

7 ~~6-518.~~ 10-488.

8 (a) In selecting applicants for venture firm certification, the Authority shall
9 consider:

10 (1) the management structure of the applicant, including:

11 (i) the investment experience of the principals;

12 (ii) the applicant's reputation in the venture firm industry and the
13 applicant's ability to attract co-investment capital and syndicate investments in qualified
14 businesses in the State;

15 (iii) the knowledge, experience, and capabilities of the applicant in
16 subject areas relevant to venture-stage businesses in the State;

17 (iv) the tenure and turnover history of principals and senior
18 investment professionals of the applicant; and

19 (v) whether the State's investment in the applicant under this
20 program would exceed 15% of the total invested in the applicant by all investors, including
21 investments in any side car fund affiliates;

22 (2) the applicant's investment strategy, including:

23 (i) the applicant's track record of investing in venture-stage
24 businesses;

25 (ii) the applicant's history of attracting co-investment capital and
26 syndicate investments;

27 (iii) the soundness of the applicant's investment strategy and the
28 compatibility of that strategy with business opportunities in the State; and

29 (iv) the applicant's history of job creation through investment;

30 (3) the applicant's commitment to making investments, that to the fullest
31 extent possible:

- 1 (i) create employment opportunities in the State;
- 2 (ii) lead to the growth of the State economy and qualified businesses
3 in the State;
- 4 (iii) complement the research and development projects of State
5 academic institutions; and
- 6 (iv) foster the development of technologies and industries that
7 present opportunities for the growth of qualified businesses in the State; and
- 8 (4) the applicant's commitment to the State, including:
- 9 (i) the applicant's presence in the State through permanent local
10 offices or affiliation with local investment firms;
- 11 (ii) the local presence of senior investment professionals;
- 12 (iii) the applicant's history of investing in venture-stage businesses
13 in the State;
- 14 (iv) the applicant's ability to identify investment opportunities
15 through working relationships with State research and development institutions and
16 State-based businesses;
- 17 (v) the applicant's relationship with other venture firms in the
18 region;
- 19 (vi) the applicant's history of investing in areas relevant to
20 venture-stage businesses in the State; and
- 21 (vii) the applicant's commitment to investing a similar or greater
22 amount of designated capital received under this subtitle in State-based ventures and
23 qualified businesses.
- 24 (b) (1) An applicant shall file an application with the [Department]
25 CORPORATION in the form required by the [Department] CORPORATION.
- 26 (2) The application shall include the applicant's most recent financial
27 statements.
- 28 (3) The [Department] CORPORATION shall begin accepting applications
29 for certification on or before January 1, 2012.
- 30 (4) An application for certification may not be accepted after May 1, 2012.
- 31 (c) To be certified as a venture firm:

1 (1) the applicant must have, at the time of application, an equity
2 capitalization, net assets, or written commitments of at least \$500,000 in the form of cash
3 or cash equivalents; and

4 (2) at least two principals or persons employed to direct the investment of
5 the designated capital of the applicant must have at least 5 years of money management
6 experience in the venture capital or private equity sectors.

7 (d) Not later than 90 days after an application is filed, the Secretary shall either:

8 (1) issue the certification; or

9 (2) refuse to issue the certification and communicate in detail to the
10 applicant the grounds for the refusal.

11 ~~6-519.~~ 10-489.

12 (a) (1) A business that is classified as a qualified business at the time of the
13 first investment in the business by a venture firm, the Enterprise Fund, or the Financing
14 Authority remains classified as a qualified business and may receive follow-on investments
15 from a venture firm, the Enterprise Fund, or the Financing Authority.

16 (2) Except as provided in paragraph (3) of this subsection, a follow-on
17 investment made under this subsection is a qualified investment even though the business
18 does not meet the definition of a qualified business at the time of the follow-on investment.

19 (3) With respect to an investment by the Enterprise Fund or the Financing
20 Authority, a follow-on investment does not qualify as a qualified investment if, at the time
21 of the follow-on investment, the qualified business no longer has its principal business
22 operations in the State.

23 (b) Each venture firm shall inform the [Department] CORPORATION in writing
24 when the venture firm requires designated capital for investment or for the payment of
25 approved fees and expenses.

26 ~~6-520.~~ 10-490.

27 (a) A purchaser or affiliate may not directly or indirectly:

28 (1) manage a venture firm;

29 (2) beneficially own, through rights, options, convertible interests, or
30 otherwise, more than 15% of the voting securities or other voting ownership interest of a
31 venture firm; or

32 (3) control the direction of investments for a venture firm.

1 (b) Subsection (a) of this section applies whether or not the purchaser or affiliate
2 is authorized to do business in the State.

3 ~~6-521.~~ 10-491.

4 (a) Not later than March 31 of each year, each venture firm and the Financing
5 Authority shall report to the [Department] CORPORATION:

6 (1) the amount of designated capital remaining uninvested at the end of
7 the preceding calendar year;

8 (2) all qualified investments made during the preceding calendar year,
9 including the number of employees of each business at the time the qualified investment
10 was made and as of December 31 of that year;

11 (3) for any qualified investment in which the venture firm or the Financing
12 Authority no longer has a position as of the end of the calendar year, the number of
13 employees of the business as of the date the investment was terminated; and

14 (4) any other information the [Department] CORPORATION requires to
15 ascertain the impact of the Program on the economy of the State.

16 (b) Not later than 180 days after the end of its fiscal year, each venture firm shall
17 provide to the [Department] CORPORATION an audited financial statement that includes
18 the opinion of an independent certified public accountant.

19 (c) Not later than 60 days after the sale or other disposition of a qualified
20 investment, the selling venture firm or the Financing Authority shall provide to the
21 [Department] CORPORATION a report on the amount of the interest sold or disposed of
22 and the consideration received for the sale or disposition.

23 ~~6-522.~~ 10-492.

24 (a) A venture firm may make a qualified distribution at any time.

25 (b) To make a distribution that is not a qualified distribution, a venture firm shall
26 pay to the Comptroller the venture firm's pro rata share of distributions made to all limited
27 partners as provided under the applicable partnership documents and any agreement with
28 the [Department] CORPORATION.

29 (c) (1) Except as provided in paragraph (2) of this subsection, the Comptroller
30 shall distribute all payments received under this section to the General Fund within 30
31 days of receipt.

1 (2) (i) If the [Department] CORPORATION has an obligation under
2 applicable venture firm investment documents to return to the venture firm a payment
3 previously distributed to the Comptroller, the Comptroller shall deposit an amount equal
4 to that payment into the Enterprise Fund to cover the obligation.

5 (ii) If the [Department] CORPORATION determines that the money
6 deposited under subparagraph (i) of this paragraph is no longer required to be returned to
7 a venture firm under the applicable investment documents, the [Department]
8 CORPORATION shall notify the Comptroller that the money may be distributed to the
9 General Fund.

10 ~~6-523.~~ 10-493.

11 Investment returns resulting from the qualified investments made under the
12 Program by the Enterprise Fund or the Financing Authority shall be used to make
13 additional qualified investments in qualified businesses by the Enterprise Fund or the
14 Financing Authority.

15 ~~6-526.~~ 10-496.

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

19 (b) The [Department] CORPORATION shall submit the following to the
20 Maryland Insurance Administration:

21 (1) the names, addresses, and amount of designated capital to be
22 contributed and premium tax credits earned by each successful bidder within 30 days after
23 the close of the bidding process under ~~§ 6-512~~ § 10-482 of this subtitle;

24 (2) a copy of the tax credit certificate issued to each purchaser within 30
25 days after the issuance of the certificate under ~~§ 6-513~~ § 10-483 of this subtitle;

26 (3) the occurrence of a default by a purchaser; and

27 (4) the transfer of premium tax credits by a purchaser.

28 ~~6-527.~~ 10-497.

29 (a) Except as provided in subsection (b) of this section, Division II of the State
30 Finance and Procurement Article does not apply to a service that the [Department]
31 CORPORATION obtains that is related to the investment, management, analysis,
32 purchase, or sale of an asset of the [Department] CORPORATION in a transaction
33 authorized under this subtitle.

1 (b) The [Department] CORPORATION is subject to Title 12, Subtitle 4 of the
2 State Finance and Procurement Article for services related to the investment,
3 management, analysis, purchase, or sale of assets of the [Department] CORPORATION in
4 any transaction authorized under this subtitle.

5 (c) Section 10–305 of the State Finance and Procurement Article does not apply
6 to the sale, lease, transfer, exchange, or other disposition of real or personal property,
7 including a share of stock in a business entity, that the [Department] CORPORATION
8 acquires in a transaction authorized under this subtitle.

9 ~~6–528.~~ 10–498.

10 The [Department] CORPORATION shall administer this subtitle and may adopt
11 regulations to carry out this subtitle.

12 ~~6–529.~~ 10–499.

13 (a) (1) On or before January 1, 2013, and January 1 of each subsequent year,
14 the [Department] CORPORATION shall submit a report on the implementation of the
15 Program to the Governor and, in accordance with § 2–1246 of the State Government Article,
16 the Senate Budget and Taxation Committee and the House Ways and Means Committee.

17 (2) The [Department] CORPORATION shall publish the report on the
18 [Department's] CORPORATION'S Web site in a publicly available format.

19 (3) The report published on the Web site may not include any proprietary
20 or confidential information.

21 (b) The report shall include:

22 (1) with respect to each purchaser of premium tax credits under the
23 Program:

24 (i) the name of the purchaser of premium tax credits;

25 (ii) the amount of premium tax credits allocated to the purchaser;

26 (iii) the amount of designated capital the purchaser contributed for
27 the issuance of the tax credit certificate; and

28 (iv) the amount of any tax credits that have been transferred under
29 ~~§ 6–514~~ § 10–484 of this subtitle;

30 (2) with respect to each venture firm that has received an allocation of
31 designated capital:

- 1 (i) the name and address of the venture firm;
- 2 (ii) the names of the individuals making decisions on behalf of the
3 venture firm to make qualified investments under the Program;
- 4 (iii) the amount of designated capital received during the previous
5 fiscal year;
- 6 (iv) the cumulative amount of designated capital received;
- 7 (v) the amount of designated capital remaining uninvested at the
8 end of the previous fiscal year;
- 9 (vi) the names and locations of qualified businesses receiving
10 designated capital and the amount of each qualified investment;
- 11 (vii) for the previous fiscal year, the aggregate fair market value of all
12 qualified investments as calculated according to generally accepted accounting principles;
13 and
- 14 (viii) the amount of any qualified distribution or nonqualified
15 distribution taken during the previous fiscal year, including any management fee;
- 16 (3) with respect to the Enterprise Fund:
- 17 (i) the amount of designated capital received during the previous
18 fiscal year;
- 19 (ii) the cumulative amount of designated capital received;
- 20 (iii) the amount of designated capital remaining uninvested at the
21 end of the previous fiscal year;
- 22 (iv) the names and locations of qualified businesses receiving
23 designated capital and the amount of each qualified investment; and
- 24 (v) for the previous fiscal year, the aggregate fair market value of all
25 qualified investments as calculated according to generally accepted accounting principles;
- 26 (4) with respect to the Financing Authority:
- 27 (i) the amount of designated capital received during the previous
28 fiscal year and the amount allocated to the Equity Participation Investment Program;
- 29 (ii) the cumulative amount of designated capital received;

1 (iii) the amount of designated capital remaining uninvested at the
2 end of the previous fiscal year;

3 (iv) the names and locations of qualified businesses receiving
4 designated capital and the amount of each qualified investment; and

5 (v) for the previous fiscal year, the aggregate fair market value of all
6 qualified investments as calculated under generally accepted accounting principles; and

7 (5) for the previous fiscal year, with respect to the qualified businesses in
8 which venture firms, the Enterprise Fund, or the Financing Authority have invested:

9 (i) the classification of the qualified businesses according to the
10 industrial sector and the size of the business;

11 (ii) the total number of jobs created in the State by the investment
12 and the average wages paid for the jobs; and

13 (iii) the total number of jobs retained in the State as a result of the
14 investment and the average wages paid for the jobs.

15 9–101.

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

17 (c) “Department” means the Department of [Business and Economic
18 Development] **ECONOMIC COMPETITIVENESS AND COMMERCE**.

19 (e) “Secretary” means the Secretary of [Business and Economic Development]
20 **COMMERCE**.

21 10–101.

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

23 (b) “Board” means the Board of Directors of the Corporation.

24 (d) “Corporation” means the Maryland Economic Development Corporation.

25 10–104.

26 (a) The General Assembly finds that:

27 (1) the State’s economy continues to experience technological change and
28 restructuring;

1 (2) technological change may result in economic contraction and
2 dislocation, but affords opportunities to expand productive employment and expand the
3 State's economy and tax base;

4 (3) the establishment of a public corporation to acquire or improve projects:

5 (i) serves the public interest by accomplishing one or more of the
6 Corporation's legislative purposes listed in subsection (b) of this section; and

7 (ii) complements existing State marketing programs administered
8 by the Department and through the Department's financial assistance programs including
9 the Maryland Industrial Development Financing Authority and the Maryland Economic
10 Development Assistance Authority under Title 5 of this article; and

11 (4) the State lacks and needs direct property development capability for
12 economic development purposes.

13 (b) The legislative purposes of the Corporation are to:

14 (1) relieve unemployment in the State;

15 (2) encourage the increase of business activity and commerce and a
16 balanced economy in the State;

17 (3) help retain and attract business activity and commerce in the State;

18 (4) promote economic development; [and]

19 (5) promote the health, safety, right of gainful employment, and welfare of
20 residents of the State;

21 **(6) CREATE A BRANDING STRATEGY FOR THE STATE;**

22 **(7) MARKET THE STATE'S ASSETS TO OUT-OF-STATE BUSINESSES;**

23 **(8) RECRUIT OUT-OF-STATE BUSINESSES TO LOCATE AND GROW IN**
24 **THE STATE; AND**

25 **(9) FOSTER PUBLIC-PRIVATE PARTNERSHIPS THAT ENCOURAGE**
26 **LOCATION AND DEVELOPMENT OF NEW BUSINESSES IN THE STATE.**

27 (c) The General Assembly intends that:

28 (1) the Corporation operate and exercise its corporate powers in all areas
29 of the State;

1 (2) without limiting its authority to otherwise exercise its corporate
2 powers, the Corporation exercise its corporate powers to assist governmental units and
3 State and local economic development agencies to contribute to the expansion,
4 modernization, and retention of existing enterprises in the State as well as the attraction
5 of new business to the State;

6 (3) the Corporation cooperate with workforce investment boards, private
7 industry councils, representatives of labor, and governmental units in maximizing new
8 economic opportunities for residents of the State, INCLUDING FOSTERING
9 PUBLIC-PRIVATE PARTNERSHIPS THAT ENCOURAGE THE LOCATION AND
10 DEVELOPMENT OF NEW BUSINESS IN THE STATE;

11 (4) the Corporation accomplish at least one of the purposes listed in
12 subsection (b) of this section and complement existing State marketing and financial
13 assistance programs by:

14 (i) owning projects;

15 (ii) leasing projects to other persons; or

16 (iii) lending the proceeds of bonds to other persons to finance the costs
17 of acquiring or improving projects that the persons own or will own; and

18 (5) the Corporation not own and operate a project unless:

19 (i) the Board determines by resolution that the private sector has
20 not demonstrated serious and significant interest and development capacity to own and
21 operate the project; or

22 (ii) a representative of a governmental unit requests in writing that
23 the Corporation own and operate the project.

24 **10-109.1.**

25 **(A) THE BOARD SHALL ESTABLISH A MARKETING ADVISORY BOARD**
26 **CONSISTING OF THE FOLLOWING MEMBERS:**

27 **(1) THE SECRETARY;**

28 **(2) THE EXECUTIVE DIRECTOR OF THE CORPORATION;**

29 **(3) THE EXECUTIVE DIRECTOR OF THE MARYLAND TECHNOLOGY**
30 **DEVELOPMENT CORPORATION;**

31 **(4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF ECONOMIC**
32 **COMPETITIVENESS AND COMMERCE;**

1 **(5) ONE MEMBER OF THE BOARD, ELECTED BY THE MEMBERS OF THE**
2 **BOARD;**

3 **(6) ONE PRIVATE SECTOR MEMBER, APPOINTED BY AND SERVING AT**
4 **THE PLEASURE OF THE PRESIDENT OF THE SENATE OF MARYLAND; AND**

5 **(7) ONE PRIVATE SECTOR MEMBER, APPOINTED BY AND SERVING AT**
6 **THE PLEASURE OF THE SPEAKER OF THE HOUSE OF DELEGATES.**

7 **(B) THE MARKETING ADVISORY BOARD SHALL ESTABLISH AND OPERATE A**
8 **PUBLIC-PRIVATE PARTNERSHIP MARKETING GROUP TO CARRY OUT THE PURPOSES**
9 **DESCRIBED IN § 10-104(B)(6) THROUGH (9) OF THIS SUBTITLE.**

10 **10-110.**

11 **(a) The Board shall employ any additional professional and clerical staff as**
12 **necessary to carry out this subtitle.**

13 **(b) The Board may retain accountants, engineers, lawyers, financial advisors,**
14 **PUBLIC RELATIONS AND COMMUNICATIONS CONSULTANTS, or other consultants as**
15 **necessary.**

16 **10-114.1.**

17 **(A) IN THIS SECTION, "FUND" MEANS THE ECONOMIC DEVELOPMENT**
18 **MARKETING FUND.**

19 **(B) THERE IS AN ECONOMIC DEVELOPMENT MARKETING FUND.**

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

21 **(D) (1) THE FUND IS A SPECIAL, NONLAPSING REVOLVING FUND THAT IS**
22 **NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**
23 **PROCUREMENT ARTICLE.**

24 **(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE**
25 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

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

27 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

28 **(2) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL**
29 **PROGRAMS OR PRIVATE CONTRIBUTIONS;**

1 **(3) MONEY DERIVED BY THE CORPORATION FROM THE SALE OF**
2 **ADVERTISING, PUBLICATIONS, SPONSORSHIPS, OR OTHER PROMOTIONAL OR**
3 **MARKETING OPPORTUNITIES; OR**

4 **(4) ANY OTHER MONEY MADE AVAILABLE TO THE CORPORATION FOR**
5 **THE FUND.**

6 **(F) (1) THE FUND MAY ONLY BE USED TO MARKET THE STATE AS A**
7 **LOCATION FOR BUSINESSES TO LOCATE, RETAIN, OR EXPAND THEIR OPERATIONS**
8 **THROUGH ANY OF THE FOLLOWING MEANS:**

9 **(I) WEB SITE MANAGEMENT;**

10 **(II) MEDIA CONTENT CREATION;**

11 **(III) SOCIAL MEDIA OUTREACH;**

12 **(IV) ELECTRONIC MAIL MARKETING TO PROMOTE EVENTS AND**
13 **OPPORTUNITIES FOR BUSINESSES;**

14 **(V) COLLATERAL AND DISPLAY DEVELOPMENT;**

15 **(VI) EVENT MANAGEMENT; AND**

16 **(VII) ANY OTHER APPROACHES THE CORPORATION DETERMINES**
17 **TO BE APPROPRIATE.**

18 **(2) THE CORPORATION MAY CONDUCT THESE ACTIVITIES DIRECTLY**
19 **OR THROUGH CONTRACT PROVIDERS.**

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

22 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO**
23 **THE FUND.**

24 **(H) (1) THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE**
25 **CORPORATION FOR THE ADMINISTRATION OF THE FUND.**

26 **(2) WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE**
27 **CORPORATION MAY RETAIN ANY ADDITIONAL LAWYERS NECESSARY FOR THE**
28 **ADMINISTRATION OF THE FUND.**

1 The Corporation may:

2 (1) adopt bylaws for the conduct of its business;

3 (2) adopt a seal;

4 (3) maintain offices at a place it designates in the State;

5 (4) accept loans, grants, or assistance of any kind from the federal
6 government, a governmental unit, A COLLEGE OR UNIVERSITY, or a private source;

7 (5) enter into contracts and other legal instruments;

8 (6) sue and be sued in its own name;

9 (7) acquire, purchase, hold, lease as lessee, and use any franchise, patent,
10 or license and real, personal, mixed, tangible, or intangible property, or any interest in
11 property, necessary or convenient to carry out its purposes;

12 (8) sell, lease as lessor, transfer, and dispose of its property or interest in
13 property;

14 (9) fix and collect rates, rentals, fees, ROYALTIES, and charges for services,
15 RESOURCES, and facilities it provides or makes available;

16 (10) with the owner's permission, enter lands, waters, or premises to make
17 a survey, sounding, boring, or examination to accomplish a purpose authorized by this
18 subtitle;

19 (11) further define or limit the term "revenues" defined in § 10-101 of this
20 subtitle as the term applies to a particular project, financing, or other matter;

21 (12) create, own, control, or be a member of a corporation, limited liability
22 company, partnership, or other person, whether for-profit or not-for-profit;

23 (13) exercise a power usually possessed by a private corporation in
24 performing similar functions unless to do so would conflict with State law; and

25 (14) do all things necessary or convenient to carry out the powers expressly
26 granted by this subtitle.

27 **10-117.1.**

28 **THE CORPORATION MAY PROVIDE TO ANY PERSON:**

1 **(1) TECHNICAL SUPPORT;**

2 **(2) BRANDING, PUBLIC RELATIONS, COMMUNICATIONS, OR**
3 **MARKETING CONSULTING SERVICES; OR**

4 **(3) ANY OTHER CONSULTING SERVICES.**

5 10-132.

6 (a) On or before October 1 of each year, the Corporation shall submit a report to
7 the Governor, the Maryland Economic Development Commission, and, in accordance with
8 § 2-1246 of the State Government Article, the General Assembly.

9 (b) The report shall include a complete operating and financial statement and
10 summarize the activities of the Corporation during the preceding fiscal year, INCLUDING
11 THE PERFORMANCE AND ACTIVITIES OF THE PUBLIC-PRIVATE PARTNERSHIP
12 MARKETING GROUP.

13 10-401.

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

15 (b) “Board” means the Board of Directors of the Corporation.

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

17 (d) “Improve” means to add, alter, construct, equip, expand, extend, improve,
18 install, reconstruct, rehabilitate, remodel, or repair.

19 (e) “Improvement” means addition, alteration, construction, equipping,
20 expansion, extension, improvement, installation, reconstruction, rehabilitation,
21 remodeling, or repair.

22 10-402.

23 (a) There is a Maryland Technology Development Corporation.

24 (b) The Corporation is a body politic and corporate and is an instrumentality of
25 the State.

26 (c) The purposes of the Corporation are to:

27 (1) assist in transferring to the private sector the results and products of
28 scientific research and development conducted by colleges and universities;

29 (2) assist in commercializing those results and products;

1 (3) assist in commercializing technology developed in the private sector;
2 [and]

3 (4) foster the commercialization of research and development conducted by
4 colleges, universities, and the private sector to create and sustain businesses throughout
5 all regions of the State; AND

6 (5) **GENERALLY ASSIST EARLY-STAGE AND START-UP BUSINESSES IN**
7 **THE STATE.**

8 10-403.

9 (a) A Board of Directors shall manage the Corporation **AND ITS UNITS** and
10 exercise its corporate powers.

11 (b) The Board consists of the following [15] **16** members:

12 (1) the Secretary **OR THE SECRETARY'S DESIGNEE;**

13 (2) **THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR THE**
14 **EXECUTIVE DIRECTOR'S DESIGNEE;** and

15 [(2)] (3) fourteen members appointed by the Governor with the advice
16 and consent of the Senate:

17 (i) two representing the not-for-profit research sector of the State;

18 (ii) two with expertise in venture capital financing;

19 (iii) five with experience in technology-based businesses;

20 (iv) two representing colleges and universities; and

21 (v) three members of the general public.

22 (c) A member of the Board shall reside in the State.

23 (d) In making appointments to the Board, the Governor shall consider:

24 (1) diversity; and

25 (2) all geographic regions of the State.

26 (e) A member of the Board:

1 (1) may not receive compensation as a member of the Board; but

2 (2) is entitled to reimbursement for expenses under the Standard State
3 Travel Regulations, as provided in the State budget.

4 (f) (1) The term of an appointed member is 4 years.

5 (2) The terms of the appointed members are staggered as required by the
6 terms provided for members on October 1, 2008.

7 (3) At the end of a term, an appointed member continues to serve until a
8 successor is appointed and qualifies.

9 (4) A member who is appointed after a term has begun serves only for the
10 rest of the term and until a successor is appointed and qualifies.

11 (g) The Governor may remove an appointed member for incompetence,
12 misconduct, or failure to perform the duties of the position.

13 (h) The Board shall elect a chair from among its members.

14 (i) The Board may act with an affirmative vote of [eight] NINE Board members.
15 10-404.

16 (a) The Corporation shall employ an Executive Director.

17 (b) The Executive Director shall have experience with and possess qualifications
18 relevant to the activities and purposes of the Corporation.

19 10-405.

20 (a) The Attorney General is the legal advisor to the Corporation.

21 (b) **(1) THE ATTORNEY GENERAL SHALL ASSIGN TO THE CORPORATION**
22 **ASSISTANT ATTORNEYS GENERAL.**

23 **(2) THE ATTORNEY GENERAL SHALL DESIGNATE ONE ASSISTANT**
24 **ATTORNEY GENERAL AS GENERAL COUNSEL TO THE CORPORATION.**

25 **(3) (I) THE GENERAL COUNSEL TO THE CORPORATION SHALL:**

26 **1. ADVISE THE EXECUTIVE DIRECTOR, BOARD OF**
27 **DIRECTORS, AND ANY OTHER OFFICIAL OF THE CORPORATION AS REQUESTED BY**
28 **THE CORPORATION;**

1 **2. SUPERVISE THE OTHER ASSISTANT ATTORNEYS**
2 **GENERAL ASSIGNED TO THE CORPORATION; AND**

3 **3. PERFORM FOR THE CORPORATION OTHER DUTIES**
4 **THE ATTORNEY GENERAL ASSIGNS.**

5 **(II) THE GENERAL COUNSEL MAY NOT PROVIDE ANY OTHER**
6 **ASSISTANCE NOT SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

7 **(C)** With the approval of the Attorney General, the Corporation may retain any
8 **ADDITIONAL** necessary lawyers.

9 10-406.

10 The Corporation may retain any necessary accountants, engineers, financial
11 advisors, or other consultants.

12 10-407.

13 (a) Except as provided in subsections (b), (c), and (e) of this section, the
14 Corporation is exempt from:

15 (1) Title 10 and Division II of the State Finance and Procurement Article;
16 and

17 (2) §§ 3-301 and 3-303 of the General Provisions Article.

18 (b) The Corporation is subject to the Public Information Act.

19 (c) The Board and the officers and employees of the Corporation are subject to the
20 Public Ethics Law.

21 (d) The officers and employees of the Corporation are not subject to the provisions
22 of Division I of the State Personnel and Pensions Article that govern the State Personnel
23 Management System.

24 (e) The Corporation, its Board, and employees are subject to Title 12, Subtitle 4
25 of the State Finance and Procurement Article.

26 10-408.

27 The Corporation may:

28 (1) adopt bylaws for the conduct of its business;

29 (2) adopt a seal;

1 (3) maintain offices at a place it designates in the State;

2 (4) accept loans, grants, or assistance of any kind from the federal or State
3 government, a local government, a college or university, or a private source;

4 (5) enter into contracts and other legal instruments;

5 (6) sue or be sued;

6 (7) acquire, purchase, hold, lease as lessee, and use:

7 (i) a franchise, patent, or license;

8 (ii) any real, personal, mixed, tangible, or intangible property; or

9 (iii) an interest in the property listed in this item;

10 (8) sell, lease as lessor, transfer, license, assign, or dispose of property or a
11 property interest that it acquires;

12 (9) fix and collect rates, rentals, fees, royalties, and charges for services
13 and resources it provides or makes available;

14 (10) create, own, control, or be a member of a corporation, limited liability
15 company, partnership, or other entity, whether operated for profit or not for profit;

16 (11) exercise power usually possessed by a private corporation in performing
17 similar functions unless to do so would conflict with State law; and

18 (12) do all things necessary or convenient to carry out the powers granted
19 by this subtitle.

20 10-409.

21 The Corporation may make grants to or provide equity investment financing for
22 technology-based businesses.

23 10-410.

24 The Corporation may:

25 (1) acquire, develop, improve, manage, market, license, sublicense,
26 maintain, lease as lessor or lessee, or operate a project in the State to carry out its purposes;

1 (2) acquire, directly or indirectly, from a person or political subdivision, by
2 purchase, gift, or devise any property, rights-of-way, franchises, easements, or other
3 interests in land, including submerged land and riparian rights:

4 (i) as necessary or convenient to improve or operate a project to
5 carry out its purposes; and

6 (ii) on the terms and at the prices that it considers reasonable; and

7 (3) enter into a project with a manufacturer to carry out its purposes.

8 10-411.

9 A debt, claim, obligation, or liability of the Corporation or any subsidiary is not:

10 (1) a debt, claim, obligation, or liability of the State, a unit or
11 instrumentality of the State, or of a State officer or State employee; or

12 (2) a pledge of the credit of the State.

13 10-412.

14 Colleges and universities may:

15 (1) contract with the Corporation or its subsidiaries;

16 (2) assign to the Corporation or its subsidiaries intellectual property and
17 other resources to assist in its development and activities; and

18 (3) assign faculty and staff to the Corporation.

19 10-413.

20 The Corporation is exempt from State and local taxes.

21 10-414.

22 The books and records of the Corporation are subject to audit:

23 (1) at any time by the State; and

24 (2) each year by an independent auditor that the Office of Legislative
25 Audits approves.

26 10-415.

1 (a) On or before October 1 of each year, the Corporation shall report to the
2 Governor, the Maryland Economic Development Commission, and, in accordance with §
3 2-1246 of the State Government Article, the General Assembly.

4 (b) The report shall include a complete operating and financial statement
5 covering the Corporation's operations and a summary of the Corporation's activities during
6 the preceding fiscal year.

7 ~~SUBTITLE 9. PUBLIC PRIVATE PARTNERSHIP MARKETING CORPORATION.~~

8 ~~10-901.~~

9 (A) ~~IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~
10 ~~INDICATED.~~

11 (B) ~~"BOARD" MEANS THE BOARD OF DIRECTORS OF THE CORPORATION.~~

12 (C) ~~"CORPORATION" MEANS THE PUBLIC PRIVATE PARTNERSHIP~~
13 ~~MARKETING CORPORATION.~~

14 ~~10-902.~~

15 (A) ~~THERE IS A PUBLIC PRIVATE PARTNERSHIP MARKETING~~
16 ~~CORPORATION.~~

17 (B) ~~THE CORPORATION IS A BODY POLITIC AND CORPORATE AND IS AN~~
18 ~~INSTRUMENTALITY OF THE STATE.~~

19 (C) ~~THE PURPOSES OF THE CORPORATION ARE TO:~~

20 (1) ~~CREATE A BRANDING STRATEGY FOR THE STATE;~~

21 (2) ~~MARKET THE STATE'S ASSETS TO OUT-OF-STATE BUSINESSES;~~

22 (3) ~~RECRUIT OUT-OF-STATE BUSINESSES TO LOCATE AND GROW IN~~
23 ~~THE STATE; AND~~

24 (4) ~~FOSTER PUBLIC PRIVATE PARTNERSHIPS THAT ENCOURAGE~~
25 ~~LOCATION AND DEVELOPMENT OF NEW BUSINESSES IN THE STATE.~~

26 ~~10-903.~~

27 (A) ~~A BOARD OF DIRECTORS SHALL MANAGE THE CORPORATION AND ITS~~
28 ~~UNITS AND EXERCISE THE CORPORATE POWERS OF THE BOARD OF DIRECTORS.~~

- 1 ~~(B) THE BOARD CONSISTS OF THE FOLLOWING 18 MEMBERS:~~
- 2 ~~(1) THE SECRETARY;~~
- 3 ~~(2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT;~~
- 4 ~~(3) (I) ONE MEMBER OF THE SENATE OF MARYLAND, WHO SHALL~~
5 ~~BE A NONVOTING MEMBER OF THE BOARD, DESIGNATED BY THE PRESIDENT OF THE~~
6 ~~SENATE; AND~~
- 7 ~~(II) ONE MEMBER OF THE HOUSE OF DELEGATES, WHO SHALL~~
8 ~~BE A NONVOTING MEMBER OF THE BOARD, DESIGNATED BY THE SPEAKER OF THE~~
9 ~~HOUSE; AND~~
- 10 ~~(4) THE FOLLOWING 14 MEMBERS, APPOINTED BY THE GOVERNOR~~
11 ~~WITH THE ADVICE AND CONSENT OF THE SENATE:~~
- 12 ~~(I) THREE REPRESENTING BUSINESSES IN THE STATE;~~
- 13 ~~(II) TWO REPRESENTING LABOR IN THE STATE;~~
- 14 ~~(III) TWO REPRESENTING NOT FOR PROFIT ORGANIZATIONS IN~~
15 ~~THE STATE;~~
- 16 ~~(IV) THREE WITH EXPERTISE IN MARKETING OR ADVERTISING;~~
- 17 ~~(V) ONE WITH EXPERTISE IN PUBLIC RELATIONS AND~~
18 ~~COMMUNICATIONS; AND~~
- 19 ~~(VI) THREE WITH EXPERTISE IN ECONOMIC DEVELOPMENT.~~
- 20 ~~(C) EACH MEMBER OF THE BOARD SHALL RESIDE IN THE STATE.~~
- 21 ~~(D) IN MAKING APPOINTMENTS TO THE BOARD, THE GOVERNOR SHALL~~
22 ~~CONSIDER DIVERSITY AND ALL GEOGRAPHIC REGIONS OF THE STATE.~~
- 23 ~~(E) A MEMBER OF THE BOARD:~~
- 24 ~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;~~
25 ~~BUT~~
- 26 ~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE~~
27 ~~STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~
- 28 ~~(F) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.~~

1 ~~(2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS~~
2 ~~REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON OCTOBER 1, 2015.~~

3 ~~(3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO~~
4 ~~SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

5 ~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES~~
6 ~~ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND~~
7 ~~QUALIFIES.~~

8 ~~(G) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR~~
9 ~~INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE~~
10 ~~POSITION.~~

11 ~~(H) THE BOARD SHALL ELECT A CHAIR FROM AMONG THE MEMBERS OF THE~~
12 ~~BOARD.~~

13 ~~(I) THE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF NINE BOARD~~
14 ~~MEMBERS.~~

15 ~~10-904.~~

16 ~~(A) THE CORPORATION SHALL EMPLOY AN EXECUTIVE DIRECTOR.~~

17 ~~(B) THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND~~
18 ~~POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE~~
19 ~~CORPORATION.~~

20 ~~10-905.~~

21 ~~(A) THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE~~
22 ~~CORPORATION.~~

23 ~~(B) WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE CORPORATION~~
24 ~~MAY RETAIN ANY NECESSARY LAWYERS.~~

25 ~~10-906.~~

26 ~~THE CORPORATION MAY RETAIN ANY NECESSARY ACCOUNTANTS, FINANCIAL~~
27 ~~ADVISORS, OR OTHER CONSULTANTS.~~

28 ~~10-907.~~

1 ~~(A) EXCEPT AS PROVIDED IN SUBSECTIONS (B), (C), AND (E) OF THIS~~
2 ~~SECTION, THE CORPORATION IS EXEMPT FROM:~~

3 ~~(1) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND~~
4 ~~PROCUREMENT ARTICLE; AND~~

5 ~~(2) §§ 10-555 AND 10-507 OF THE STATE GOVERNMENT ARTICLE.~~

6 ~~(B) THE CORPORATION IS SUBJECT TO THE PUBLIC INFORMATION ACT.~~

7 ~~(C) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE~~
8 ~~CORPORATION ARE SUBJECT TO THE PUBLIC ETHICS LAW.~~

9 ~~(D) THE OFFICERS AND EMPLOYEES OF THE CORPORATION ARE NOT~~
10 ~~SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND~~
11 ~~PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.~~

12 ~~(E) THE CORPORATION, THE BOARD, AND THE EMPLOYEES OF THE~~
13 ~~CORPORATION ARE SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND~~
14 ~~PROCUREMENT ARTICLE.~~

15 ~~10-908.~~

16 ~~THE CORPORATION MAY:~~

17 ~~(1) ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;~~

18 ~~(2) ADOPT A SEAL;~~

19 ~~(3) MAINTAIN OFFICES AT A PLACE THE CORPORATION DESIGNATES~~
20 ~~IN THE STATE;~~

21 ~~(4) ACCEPT LOANS, GRANTS, OR ASSISTANCE OF ANY KIND FROM THE~~
22 ~~FEDERAL OR STATE GOVERNMENT, LOCAL GOVERNMENT, A COLLEGE OR~~
23 ~~UNIVERSITY, OR A PRIVATE SOURCE;~~

24 ~~(5) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;~~

25 ~~(6) SUE OR BE SUED;~~

26 ~~(7) ACQUIRE, PURCHASE, HOLD, LEASE AS LESSEE, AND USE:~~

27 ~~(I) A FRANCHISE, PATENT, OR LICENSE;~~

1 ~~(H) ANY REAL, PERSONAL, MIXED, TANGIBLE, OR INTANGIBLE~~
 2 ~~PROPERTY; OR~~

3 ~~(HH) AN INTEREST IN THE PROPERTY LISTED IN THIS ITEM;~~

4 ~~(S) SELL, LEASE AS LESSOR, TRANSFER, LICENSE, ASSIGN, OR~~
 5 ~~DISPOSE OF PROPERTY OR A PROPERTY INTEREST THAT THE CORPORATION~~
 6 ~~ACQUIRES;~~

7 ~~(9) FIX AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND~~
 8 ~~CHARGES FOR SERVICES AND RESOURCES THE CORPORATION PROVIDES OR MAKES~~
 9 ~~AVAILABLE; AND~~

10 ~~(10) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE~~
 11 ~~POWERS GRANTED BY THIS SUBTITLE.~~

12 ~~10-909.~~

13 ~~THE CORPORATION IS EXEMPT FROM STATE AND LOCAL TAXES.~~

14 ~~10-910.~~

15 ~~THE BOOKS AND RECORDS OF THE CORPORATION ARE SUBJECT TO AUDIT:~~

16 ~~(1) AT ANY TIME BY THE STATE; AND~~

17 ~~(2) EACH YEAR BY AN INDEPENDENT AUDITOR THAT THE OFFICE OF~~
 18 ~~LEGISLATIVE AUDITS APPROVES.~~

19 ~~10-911.~~

20 ~~(A) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE CORPORATION SHALL~~
 21 ~~REPORT TO THE GOVERNOR, THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1246~~
 22 ~~OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.~~

23 ~~(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL~~
 24 ~~STATEMENT COVERING THE CORPORATION'S OPERATIONS AND A SUMMARY OF THE~~
 25 ~~CORPORATION'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.~~

26 Article – State Finance and Procurement

27 6-226.

28 (a) (2) (i) Notwithstanding any other provision of law, and unless
 29 inconsistent with a federal law, grant agreement, or other federal requirement or with the

1 terms of a gift or settlement agreement, net interest on all State money allocated by the
 2 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 3 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 4 Fund of the State.

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

7 81. the Cybersecurity Investment Fund; [and]

8 82. the Northeastern Maryland Additive Manufacturing
 9 Innovation Authority Fund; AND

10 83. THE ECONOMIC DEVELOPMENT MARKETING FUND.

11 Article – State Government

12 8–201.

13 (a) The Executive Branch of the State government shall have not more than 21
 14 principal departments, each of which shall embrace a broad, functional area of that Branch.

15 (b) The principal departments of the Executive Branch of the State government
 16 are:

17 (4) [Business and Economic Development] **ECONOMIC**
 18 **COMPETITIVENESS AND COMMERCE;**

19 **SUBTITLE 31. COMMERCE SUBCABINET.**

20 **9–3101.**

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

23 **(B) “SECRETARY” MEANS THE SECRETARY OF COMMERCE.**

24 **(C) “SUBCABINET” MEANS THE COMMERCE SUBCABINET.**

25 **9–3102.**

26 **(A) THERE IS A COMMERCE SUBCABINET.**

27 **(B) THE SUBCABINET IS COMPOSED OF THE FOLLOWING MEMBERS:**

28 **(1) THE SECRETARY, OR THE SECRETARY’S DESIGNEE;**

1 **(2) THE SECRETARY OF TRANSPORTATION, OR THE SECRETARY'S**
2 **DESIGNEE;**

3 **(3) THE SECRETARY OF LABOR, LICENSING, AND REGULATION, OR**
4 **THE SECRETARY'S DESIGNEE;**

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

7 **(5) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT,**
8 **OR THE SECRETARY'S DESIGNEE;**

9 **(6) THE SECRETARY OF PLANNING, OR THE SECRETARY'S DESIGNEE;**
10 **AND**

11 **(7) THE SPECIAL SECRETARY OF MINORITY AFFAIRS, OR THE**
12 **SPECIAL SECRETARY'S DESIGNEE.**

13 **9-3103.**

14 **THE SUBCABINET SHALL:**

15 **(1) ADVISE THE GOVERNOR ON PROPOSALS TO ENHANCE THE**
16 **STATE'S BUSINESS CLIMATE;**

17 **(2) GATHER INFORMATION THE SUBCABINET CONSIDERS NECESSARY**
18 **TO PROMOTE THE GOALS OF THE SUBCABINET;**

19 **(3) COLLABORATE TO FACILITATE AND EXPEDITE CRITICAL**
20 **ECONOMIC DEVELOPMENT PROJECTS IN THE STATE; AND**

21 **(4) PROVIDE OTHER ASSISTANCE THAT MAY BE REQUIRED TO**
22 **FURTHER THE GOALS OF THE SUBCABINET AND ENHANCE THE STATE'S BUSINESS**
23 **CLIMATE.**

24 **9-3104.**

25 **(A) THE SECRETARY SHALL:**

26 **(1) CHAIR THE SUBCABINET;**

27 **(2) CONVENE THE MEETINGS OF THE SUBCABINET; AND**

1 **(3) BE RESPONSIBLE FOR THE OVERSIGHT, DIRECTION, AND**
2 **ACCOUNTABILITY OF THE WORK OF THE SUBCABINET.**

3 **(B) THE OFFICE OF THE SECRETARY OF COMMERCE SHALL PROVIDE THE**
4 **PRIMARY STAFF SUPPORT FOR THE SUBCABINET.**

5 **(C) THE SUBCABINET SHALL MEET EACH MONTH.**

6 SECTION 3. AND BE IT FURTHER ENACTED, That, as provided in this Act:

7 (1) The Department of Economic Competitiveness and Commerce is the
8 successor of the Department of Business and Economic Development and the Executive
9 Director of the Department of Economic Competitiveness and Commerce is the successor
10 of the Secretary of Business and Economic Development.

11 (2) In every law, executive order, rule, regulation, policy, or document
12 created by an official, an employee, or a unit of this State, the names and titles of those
13 agencies and officials mean the names and titles of the successor agency or official.

14 SECTION 4. AND BE IT FURTHER ENACTED, That nothing in this Act affects the
15 term of office of an appointed or elected member of any commission, office, department,
16 agency, or other unit. An individual who is a member of a unit on the effective date of this
17 Act shall remain a member for the balance of the term to which appointed or elected, unless
18 the member sooner dies, resigns, or is removed under provisions of law.

19 SECTION 5. AND BE IT FURTHER ENACTED, That, except as expressly provided
20 to the contrary in this Act, any transaction or employment status affected by or flowing
21 from any change of nomenclature or any statute amended, repealed, or transferred by this
22 Act and validly entered into or existing before the effective date of this Act and every right,
23 duty, or interest flowing from a statute amended, repealed, or transferred by this Act
24 remains valid after the effective date of this Act and may be terminated, completed,
25 consummated, or enforced as required or allowed by any statute amended, repealed, or
26 transferred by this Act as though the repeal, amendment, or transfer had not occurred. If
27 a change in nomenclature involves a change in name or designation of any State unit, the
28 successor unit shall be considered in all respects as having the powers and obligations
29 granted the former unit.

30 SECTION 6. AND BE IT FURTHER ENACTED, That, except as expressly provided
31 to the contrary in this Act:

32 (1) The continuity of every commission, office, department, agency, or other
33 unit is retained; and

34 (2) The personnel, records, files, furniture, fixtures, and other properties
35 and all appropriations, credits, assets, liabilities, and obligations of each retained unit are
36 continued as the personnel, records, files, furniture, fixtures, properties, appropriations,
37 credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

1 SECTION 7. AND BE IT FURTHER ENACTED, That the publisher of the
2 Annotated Code of Maryland, in consultation with and subject to the approval of the
3 Department of Legislative Services, shall correct, with no further action required by the
4 General Assembly, terminology or cross-references rendered incorrect by this Act or by any
5 other Act of the General Assembly of 2015 that affects provisions enacted by this Act. The
6 publisher shall adequately describe any such correction in an editor's note following the
7 section affected.

8 SECTION 8. AND BE IT FURTHER ENACTED, That, ~~notwithstanding §~~
9 ~~10-902 (f)(1)~~;

10 (a) (1) Notwithstanding § 2.5-203 of the Economic Development Article, as
11 enacted by Section 2 of this Act, the terms of the initial appointed and except as provided
12 in paragraph (2) of this subsection, the first four members of the Board of Directors of the
13 Public-Private Partnership Marketing Corporation shall expire as follows:

14 ~~(1) Three members on September 30, 2018;~~

15 ~~(2) Four members on September 30, 2019;~~

16 ~~(3) Four members on September 30, 2020; and~~

17 ~~(4) Three members on September 30, 2021~~ Maryland Economic
18 Development Commission whose terms expire after the effective date of this Act shall
19 become the members appointed by the President of the Senate of Maryland and the Speaker
20 of the House of Delegates.

21 (2) If there are fewer than 25 voting members appointed to the Commission
22 on the effective date of this Act, the President of the Senate of Maryland and the Speaker
23 of the House of Delegates shall appoint the number of voting members needed to reach 25
24 voting members of the Commission, not to exceed four total appointments.

25 (b) The President of the Senate of Maryland and the Speaker of the House of
26 Delegates shall alternate appointing the first four voting members.

27 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2015.