

# HOUSE BILL 235

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CF SB 175

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By: **The Speaker (By Request – Administration)**

Introduced and read first time: January 24, 2019

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

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

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

25 BY repealing and reenacting, without amendments,  
26 Article – Economic Development  
27 Section 9–101(a) and (e) and 10–401(a) and (c)  
28 Annotated Code of Maryland  
29 (2018 Replacement Volume)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY adding to  
2 Article – Economic Development  
3 Section 10–495.1 through 10–495.12 to be under the new part “Part XI. Maryland  
4 Technology Infrastructure Program”  
5 Annotated Code of Maryland  
6 (2018 Replacement Volume)
- 7 BY repealing and reenacting, without amendments,  
8 Article – Economic Development  
9 Section 10–496(a) to be under the amended part “Part XII. Miscellaneous”  
10 Annotated Code of Maryland  
11 (2018 Replacement Volume)
- 12 BY repealing and reenacting, without amendments,  
13 Article – State Finance and Procurement  
14 Section 6–226(a)(2)(i)  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume and 2018 Supplement)
- 17 BY repealing and reenacting, with amendments,  
18 Article – State Finance and Procurement  
19 Section 6–226(a)(2)(ii)112. and 113.  
20 Annotated Code of Maryland  
21 (2015 Replacement Volume and 2018 Supplement)
- 22 BY adding to  
23 Article – State Finance and Procurement  
24 Section 6–226(a)(2)(ii)114.  
25 Annotated Code of Maryland  
26 (2015 Replacement Volume and 2018 Supplement)

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

29 **Article – Economic Development**

30 9–101.

- 31 (a) In this division the following words have the meanings indicated.  
32 (e) “Secretary” means the Secretary of Commerce.

33 10–401.

- 34 (a) In this subtitle the following words have the meanings indicated.  
35 (c) “Corporation” means the Maryland Technology Development Corporation.

**PART XI. MARYLAND TECHNOLOGY INFRASTRUCTURE PROGRAM.**

**10-495.1.**

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

**(B) "AUTHORITY" MEANS THE MARYLAND TECHNOLOGY INFRASTRUCTURE AUTHORITY.**

**(C) "FINANCIAL ASSISTANCE" MEANS A GRANT, LOAN, CREDIT ENHANCEMENT, INVESTMENT, OR SIMILAR ASSISTANCE.**

**(D) "FUND" MEANS THE MARYLAND TECHNOLOGY INFRASTRUCTURE FUND.**

**(E) "PROGRAM" MEANS THE MARYLAND TECHNOLOGY INFRASTRUCTURE PROGRAM.**

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

**10-495.2.**

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

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

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

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

1 ECONOMIC DEVELOPMENT;

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

8 (5) THESE COLLABORATIONS WILL BE FACILITATED BY AN  
9 AUTHORITY WITHIN THE CORPORATION, WHICH WILL ESTABLISH A  
10 FORWARD-LOOKING PLATFORM TO DEVELOP STRATEGIC INITIATIVES AND ENGAGE  
11 MULTISECTOR PARTIES ACROSS INDUSTRY, ACADEMIA, AND THE PUBLIC SECTOR.

12 10-495.3.

13 (A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE PROGRAM IN  
14 THE CORPORATION.

15 (B) THE PURPOSES OF THE PROGRAM ARE TO:

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

21 (2) MANAGE A MARYLAND TECHNOLOGY INFRASTRUCTURE FUND  
22 FOR INVESTMENTS IN PROJECTS; AND

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

25 10-495.4.

26 (A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE AUTHORITY  
27 IN THE CORPORATION.

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

31 10-495.5.

1           **(A) THE AUTHORITY CONSISTS OF THE FOLLOWING MEMBERS:**

2                   **(1) FIVE MEMBERS APPOINTED BY THE GOVERNOR;**

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

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

7                   **(4) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;**

8                   **(5) THE SECRETARY OF LABOR, OR THE SECRETARY OF LABOR'S**  
9 **DESIGNEE;**

10                   **(6) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE**  
11 **SECRETARY OF BUDGET AND MANAGEMENT'S DESIGNEE;**

12                   **(7) THE EXECUTIVE DIRECTOR OF THE CORPORATION;**

13                   **(8) ONE MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE OF**  
14 **MARYLAND; AND**

15                   **(9) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF**  
16 **DELEGATES.**

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

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

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

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

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

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

26                   **(2) MUST HAVE EXPERIENCE AND EXPERTISE IN LIFE SCIENCES OR**

1 CYBER-RELATED INNOVATION.

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

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

4 (2) THE TERMS OF THE APPOINTED MEMBERS OF THE AUTHORITY  
5 ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE  
6 AUTHORITY ON OCTOBER 1, 2019.

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

8 (I) IS ELIGIBLE FOR REAPPOINTMENT; AND

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

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

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

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

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

19 10-495.6.

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

21 (B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF  
22 OFFICERS AND THEIR TERMS OF OFFICE.

23 10-495.7.

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

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

1 (B) A MEMBER OF THE AUTHORITY:

2 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
3 AUTHORITY; BUT

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

6 (C) A MEMBER OF THE AUTHORITY SHALL FILE AN ANNUAL PUBLIC  
7 DISCLOSURE OF FINANCIAL INTERESTS AS REQUIRED UNDER THE MARYLAND  
8 PUBLIC ETHICS LAW.

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

12 10-495.8.

13 (A) THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE  
14 CORPORATION IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM  
15 UNDER THIS SUBTITLE.

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

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

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

24 10-495.9.

25 (A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE FUND IN THE  
26 CORPORATION.

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

30 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE

1 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

2 **(C) THE FUND CONSISTS OF:**

3 **(1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;**

4 **(2) ANY INTEREST EARNINGS OF THE FUND; AND**

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

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

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

12 **(1) ANY ADMINISTRATIVE COSTS; AND**

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

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

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

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

22 **10-495.10.**

23 **WITHIN THE PROGRAM, SUBJECT TO AVAILABLE FUNDING, AND ON THE**  
24 **RECOMMENDATION OF THE AUTHORITY, THE CORPORATION SHALL AWARD**  
25 **CAPITAL AND OPERATING FINANCIAL ASSISTANCE FROM THE FUND TO PUBLIC OR**  
26 **PRIVATE ENTITIES IN THE STATE, INCLUDING INSTITUTIONS OF HIGHER**  
27 **EDUCATION, TO:**

28 **(1) SUPPORT LARGE-SCALE PLACE-MAKING PROJECTS THAT**  
29 **ESTABLISH A GEOGRAPHIC DISTRICT TO ATTRACT TALENT, FOSTER**



1 COLLABORATION, AND ENABLE CONCENTRATION AND GROWTH OF LIFE SCIENCES  
2 AND CYBER-RELATED INDUSTRIES;

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

6 (3) ATTRACT NEW LEAD VENTURE CAPITAL FIRMS AND MAJOR  
7 CORPORATE PARTNERS TO FUND START-UP AND EMERGING COMPANIES IN  
8 MARYLAND; AND

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

13 10-495.11.

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

15 (1) A COMPETITIVE APPLICATION PROCESS; AND

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

18 (B) (1) IN ACCORDANCE WITH THIS PART, ALL PRIVATE SECTOR ENTITIES  
19 IN THE STATE AND ALL INSTITUTIONS OF HIGHER EDUCATION IN THE STATE MAY BE  
20 ELIGIBLE RECIPIENTS OF FINANCIAL ASSISTANCE.

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

23 (I) ATTRACT SIGNIFICANT INVESTMENT IN THE STATE;

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

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

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

1 **10-495.12.**

2 **ON OR BEFORE JANUARY 1 EACH YEAR, THE CORPORATION AND THE**  
 3 **AUTHORITY SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §**  
 4 **2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE**  
 5 **STATUS OF THE FUND, INCLUDING DETAILED DESCRIPTIONS OF THE FINANCIAL**  
 6 **ASSISTANCE AWARDED UNDER THIS PART.**

7 [Part XI] **PART XII.** Miscellaneous.

8 10-496.

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

12 **Article – State Finance and Procurement**

13 6-226.

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

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

22 112. the Pretrial Services Program Grant Fund; [and]

23 113. the Veteran Employment and Transition Success Fund;

24 **AND**

25 **114. THE MARYLAND TECHNOLOGY INFRASTRUCTURE**  
 26 **FUND.**

27 **SECTION 2. AND BE IT FURTHER ENACTED, That:**

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

31 (1) one member in 2020;

1           (2)   two members in 2021; and

2           (3)   two members in 2022.

3           (b)   The terms of the initial members of the Authority appointed by the President  
4 of the Senate of Maryland and the Speaker of the House of Delegates shall expire in 2023.

5           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2019.