

# HOUSE BILL 654

C8

11r1790  
CF 11r1831

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By: **Delegate Qi**

Introduced and read first time: January 22, 2021

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 4, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Small Business Innovation Research and Technology Transfer**  
3 **Incentive Program – Alterations**

4 FOR the purpose of ~~establishing~~ altering the definitions of “small business innovation  
5 research grant” and “small business technology transfer grant” for purposes of the  
6 Maryland Small Business Innovation Research and Technology Transfer Incentive  
7 Program; altering the circumstances under which a certain award or investment  
8 recipient may be required to return certain funds; requiring the Program to prioritize  
9 providing awards to certain eligible small businesses; expanding the types of small  
10 business to which the Program, in coordination with certain programs, is required to  
11 conduct certain marketing and outreach; making conforming changes; making a  
12 technical correction; requiring the Maryland Technology Development Corporation  
13 to administer the Program; establishing the purposes of the Program; establishing  
14 qualifications for participation in the Program; authorizing the Program to provide  
15 certain awards and investments to certain businesses on a competitive basis, subject  
16 to certain limitations; providing for the coordination of certain activities of the  
17 Program with comparable county programs; providing that a certain award or  
18 investment recipient may be required to return certain funds under certain  
19 circumstances; establishing the Maryland Small Business Innovation Research and  
20 Technology Transfer Incentive Matching Fund as a special, nonlapsing fund;  
21 specifying the purpose of the Fund; requiring the Corporation to administer the  
22 Fund; requiring the State Treasurer to hold the Fund, and the Comptroller to  
23 account for the Fund; specifying the contents of the Fund; specifying the purpose for  
24 which the Fund may be used; providing for the investment of money in and  
25 expenditures from the Fund; requiring interest earnings of the Fund to be credited

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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 ~~to the Fund; requiring the Corporation to adopt certain regulations; exempting the~~  
 2 ~~Fund from a certain provision of law requiring interest earnings on State money to~~  
 3 ~~accrue to the General Fund of the State; defining certain terms; and generally~~  
 4 relating to the Maryland Small Business Innovation Research and Technology  
 5 Transfer Incentive Program.

6 BY repealing and reenacting, with amendments,

7 Article – Economic Development

8 Section 10–473 through 10–475, 10–476(c) through (e) and (j), and 10–477(f)

9 Annotated Code of Maryland

10 (2018 Replacement Volume and 2020 Supplement)

11 (As enacted by Chapters 8 and 25 of the Acts of the General Assembly of 2021)

12 BY repealing and reenacting, without amendments,

13 Article – Economic Development

14 Section 10–476(a) and (b) and 10–477(a)

15 Annotated Code of Maryland

16 (2018 Replacement Volume and 2020 Supplement)

17 (As enacted by Chapters 8 and 25 of the Acts of the General Assembly of 2021)

18 ~~BY adding to~~

19 ~~Article – Economic Development~~

20 ~~Section 10–4C–01 through 10–4C–06 to be under the new subtitle “Subtitle 4C–~~

21 ~~Maryland Small Business Innovation Research and Technology Transfer~~  
 22 ~~Incentive Program”~~

23 ~~Annotated Code of Maryland~~

24 ~~(2018 Replacement Volume and 2020 Supplement)~~

25 ~~BY repealing and reenacting, without amendments,~~

26 ~~Article – State Finance and Procurement~~

27 ~~Section 6–226(a)(2)(i)~~

28 ~~Annotated Code of Maryland~~

29 ~~(2015 Replacement Volume and 2020 Supplement)~~

30 ~~BY repealing and reenacting, with amendments,~~

31 ~~Article – State Finance and Procurement~~

32 ~~Section 6–226(a)(2)(ii)122. and 123.~~

33 ~~Annotated Code of Maryland~~

34 ~~(2015 Replacement Volume and 2020 Supplement)~~

35 ~~BY adding to~~

36 ~~Article – State Finance and Procurement~~

37 ~~Section 6–226(a)(2)(ii)124.~~

38 ~~Annotated Code of Maryland~~

39 ~~(2015 Replacement Volume and 2020 Supplement)~~

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

1 That the Laws of Maryland read as follows:

2 **Article – Economic Development**

3 10–473.

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

5 (b) “Fund” means the Maryland Small Business Innovation Research and  
6 Technology Transfer Incentive Matching Fund.

7 (c) “Program” means the Maryland Small Business Innovation Research and  
8 Technology Transfer Incentive Program.

9 (d) “Small business innovation research [grant] AWARD” means [a grant  
10 awarded under the Small Business Innovation Research grant program by the National  
11 Institutes of Health, or a similar program administered by another] AN AWARD PROVIDED  
12 UNDER A SMALL BUSINESS INNOVATION RESEARCH AWARD PROGRAM BY AN agency  
13 of the federal government[,] for a business to engage in research and development that has  
14 a strong potential for commercialization.

15 (e) “Small business technology transfer [grant] AWARD” means [a grant  
16 awarded under the Small Business Technology Transfer grant program by the National  
17 Institutes of Health, or a similar program administered by another] AN AWARD PROVIDED  
18 UNDER A SMALL BUSINESS TECHNOLOGY TRANSFER AWARD PROGRAM BY AN agency  
19 of the federal government[,] for a business to engage in research and development that has  
20 a strong potential for commercialization.

21 10–474.

22 (a) There is a Maryland Small Business Innovation Research and Technology  
23 Transfer Incentive Program.

24 (b) The Corporation shall administer the Program.

25 (c) The purpose of the Program is to foster job creation and economic development  
26 in the State by:

27 (1) promoting the commercialization of research conducted by small  
28 businesses in the State;

29 (2) facilitating the transfer of technology from universities and federal  
30 research laboratories to small businesses; and

31 (3) encouraging small businesses, including economically disadvantaged  
32 small businesses, to apply for small business innovation research [grants] AWARDS and

1 small business technology transfer [grants] AWARDS.

2 10-475.

3 (a) To qualify for participation in the Program, a small business shall meet the  
4 criteria in this section.

5 (b) The small business shall:

6 (1) meet the qualifications of a qualified business; and

7 (2) have received a Phase I or Phase II small business innovation research  
8 [grant] AWARD or small business technology transfer [grant, or a similar grant under a  
9 similar program administered by an agency of the federal government,] AWARD during the  
10 6 months immediately preceding the submission of its application under [§ 10-499.3] §  
11 10-476 of this part.

12 (c) An award or investment recipient that fails to fulfill the eligibility and  
13 maintenance requirements of the Program may be required to return all or part of the  
14 award or investment, as well as any accrued interest or fees, to the Program.

15 (d) The Program shall require an award or investment recipient to return to the  
16 Fund any money from an award or investment under this part, as well as any accrued  
17 interest or fees, if the recipient does not remain [in the State] A QUALIFIED BUSINESS for  
18 at least 2 years after receiving the award or investment payment.

19 10-476.

20 (a) An applicant shall submit an application for a Program award or investment  
21 on the form that the Corporation requires.

22 (b) The Program shall review the application and all supporting materials to  
23 evaluate whether the applicant qualifies for an award or investment from the Program.

24 (c) **(1)** Subject to the availability of money in the Fund AND PARAGRAPH (2)  
25 OF THIS SUBSECTION, the Program may provide to an eligible small business an award  
26 or investment to match in part a small business innovation research [grant] AWARD or  
27 small business technology transfer [grant] AWARD.

28 **(2)** THE PROGRAM SHALL PRIORITIZE PROVIDING AWARDS AND  
29 INVESTMENTS TO ELIGIBLE SMALL BUSINESSES THAT ARE ENGAGED IN RESEARCH  
30 AND DEVELOPMENT ACTIVITIES THAT ASSIST IN THE PREVENTION OF,  
31 PREPAREDNESS FOR, OR RESPONSE TO A PUBLIC HEALTH CRISIS IN THE STATE.

32 (d) Except as provided in subsection (f) of this section, a small business that  
33 receives an award or investment for a Phase I small business innovation research [grant]

1 AWARD or small business technology transfer [grant, or a similar grant under a similar  
2 program administered by an agency of the federal government.] AWARD shall receive an  
3 award or investment in an amount that is the lesser of:

4 (1) 25% of the Phase I small business innovation research [grant] AWARD  
5 or small business technology transfer [grant, or a similar grant under a similar program  
6 administered by an agency of the federal government] AWARD; or

7 (2) \$25,000.

8 (e) Except as provided in subsection (f) of this section, a small business that  
9 receives an award or investment for a Phase II small business innovation research [grant]  
10 AWARD or small business technology transfer [grant, or a similar grant under a similar  
11 program administered by an agency of the federal government.] AWARD shall receive an  
12 award or investment in an amount that is the lesser of:

13 (1) 25% of the Phase II small business innovation research [grant] AWARD  
14 or small business technology transfer [grant, or a similar grant under a similar program  
15 administered by an agency of the federal government] AWARD; or

16 (2) \$75,000.

17 (j) The Program shall coordinate with comparable State and county programs to:

18 (1) conduct marketing and outreach, including conducting joint workshops,  
19 online training opportunities, and outreach to economically disadvantaged small  
20 businesses, **WOMEN-OWNED SMALL BUSINESSES, RURAL SMALL BUSINESSES,** and  
21 first-time small business innovation research [grant] AWARD or small business technology  
22 transfer [grant] AWARD applicants; and

23 (2) provide assistance to eligible businesses under this part.

24 10-477.

25 (a) There is a Maryland Small Business Innovation Research and Technology  
26 Transfer Incentive Matching Fund.

27 (f) The Fund may be used only for:

28 (1) providing awards or investments to eligible small businesses that have  
29 received financial assistance from the federal government under comparable small  
30 business innovation research or small business technology transfer [grant] AWARD  
31 programs; and

32 (2) administrative expenses of the Program, including marketing,  
33 outreach, and technical assistance.

~~SUBTITLE 4C. MARYLAND SMALL BUSINESS INNOVATION RESEARCH AND  
TECHNOLOGY TRANSFER INCENTIVE PROGRAM.~~

~~10-4C-01.~~

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

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

~~(C) "CORPORATION" MEANS THE MARYLAND TECHNOLOGY  
DEVELOPMENT CORPORATION.~~

~~(D) "FUND" MEANS THE MARYLAND SMALL BUSINESS INNOVATION  
RESEARCH AND TECHNOLOGY TRANSFER INCENTIVE MATCHING FUND.~~

~~(E) "PROGRAM" MEANS THE MARYLAND SMALL BUSINESS INNOVATION  
RESEARCH AND TECHNOLOGY TRANSFER INCENTIVE PROGRAM.~~

~~(F) "SMALL BUSINESS INNOVATION RESEARCH AWARD" MEANS AN AWARD  
PROVIDED UNDER A SMALL BUSINESS INNOVATION RESEARCH AWARD PROGRAM BY  
AN AGENCY OF THE FEDERAL GOVERNMENT FOR A BUSINESS TO ENGAGE IN  
RESEARCH AND DEVELOPMENT THAT HAS A STRONG POTENTIAL FOR  
COMMERCIALIZATION.~~

~~(G) "SMALL BUSINESS TECHNOLOGY TRANSFER AWARD" MEANS AN AWARD  
PROVIDED UNDER A SMALL BUSINESS TECHNOLOGY TRANSFER AWARD PROGRAM  
BY AN AGENCY OF THE FEDERAL GOVERNMENT FOR A BUSINESS TO ENGAGE IN  
RESEARCH AND DEVELOPMENT THAT HAS A STRONG POTENTIAL FOR  
COMMERCIALIZATION.~~

~~10-4C-02.~~

~~(A) THERE IS A MARYLAND SMALL BUSINESS INNOVATION RESEARCH AND  
TECHNOLOGY TRANSFER INCENTIVE PROGRAM.~~

~~(B) THE CORPORATION SHALL ADMINISTER THE PROGRAM.~~

~~(C) THE PURPOSE OF THE PROGRAM IS TO FOSTER JOB CREATION AND  
ECONOMIC DEVELOPMENT IN THE STATE BY:~~

~~(1) PROMOTING THE COMMERCIALIZATION OF RESEARCH  
CONDUCTED BY SMALL BUSINESSES IN THE STATE;~~

1 ~~(2) FACILITATING THE TRANSFER OF TECHNOLOGY FROM~~  
2 ~~UNIVERSITIES AND FEDERAL RESEARCH LABORATORIES TO SMALL BUSINESSES;~~  
3 ~~AND~~

4 ~~(3) ENCOURAGING SMALL BUSINESSES, INCLUDING ECONOMICALLY~~  
5 ~~DISADVANTAGED SMALL BUSINESSES, TO APPLY FOR SMALL BUSINESS INNOVATION~~  
6 ~~RESEARCH AWARDS AND SMALL BUSINESS TECHNOLOGY TRANSFER AWARDS.~~

7 ~~10-4C-03.~~

8 ~~(A) TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, A SMALL BUSINESS~~  
9 ~~SHALL MEET THE CRITERIA IN THIS SECTION.~~

10 ~~(B) THE SMALL BUSINESS SHALL:~~

11 ~~(1) MEET THE QUALIFICATIONS OF A QUALIFIED BUSINESS; AND~~

12 ~~(2) HAVE RECEIVED A PHASE I OR PHASE II SMALL BUSINESS~~  
13 ~~INNOVATION RESEARCH AWARD OR SMALL BUSINESS TECHNOLOGY TRANSFER~~  
14 ~~AWARD DURING THE 6 MONTHS IMMEDIATELY PRECEDING THE SUBMISSION OF ITS~~  
15 ~~APPLICATION UNDER § 10-4C-04 OF THIS SUBTITLE.~~

16 ~~(C) AN AWARD OR INVESTMENT RECIPIENT THAT FAILS TO FULFILL THE~~  
17 ~~ELIGIBILITY AND MAINTENANCE REQUIREMENTS OF THE PROGRAM MAY BE~~  
18 ~~REQUIRED TO RETURN ALL OR PART OF THE AWARD OR INVESTMENT, AS WELL AS~~  
19 ~~ANY ACCRUED INTEREST OR FEES, TO THE PROGRAM.~~

20 ~~(D) THE PROGRAM SHALL REQUIRE AN AWARD OR INVESTMENT RECIPIENT~~  
21 ~~TO RETURN TO THE FUND ANY MONEY FROM AN AWARD OR INVESTMENT UNDER~~  
22 ~~THIS SUBTITLE, AS WELL AS ANY ACCRUED INTEREST OR FEES, IF THE RECIPIENT~~  
23 ~~DOES NOT REMAIN A QUALIFIED BUSINESS FOR AT LEAST 2 YEARS AFTER RECEIVING~~  
24 ~~THE AWARD OR INVESTMENT PAYMENT.~~

25 ~~10-4C-04.~~

26 ~~(A) AN APPLICANT SHALL SUBMIT AN APPLICATION FOR A PROGRAM~~  
27 ~~AWARD OR INVESTMENT ON THE FORM THAT THE CORPORATION REQUIRES.~~

28 ~~(B) THE PROGRAM SHALL REVIEW THE APPLICATION AND ALL SUPPORTING~~  
29 ~~MATERIALS TO EVALUATE WHETHER THE APPLICANT QUALIFIES FOR AN AWARD OR~~  
30 ~~INVESTMENT FROM THE PROGRAM.~~

31 ~~(C) (1) SUBJECT TO THE AVAILABILITY OF MONEY IN THE FUND AND~~

~~1 PARAGRAPH (2) OF THIS SUBSECTION, THE PROGRAM MAY PROVIDE TO AN  
2 ELIGIBLE SMALL BUSINESS AN AWARD OR INVESTMENT TO MATCH IN PART A SMALL  
3 BUSINESS INNOVATION RESEARCH AWARD OR SMALL BUSINESS TECHNOLOGY  
4 TRANSFER AWARD.~~

~~5 (2) THE PROGRAM SHALL PRIORITIZE PROVIDING AWARDS AND  
6 INVESTMENTS TO ELIGIBLE SMALL BUSINESSES THAT ARE ENGAGED IN RESEARCH  
7 AND DEVELOPMENT ACTIVITIES THAT ASSIST IN THE PREVENTION OF,  
8 PREPAREDNESS FOR, OR RESPONSE TO A PUBLIC HEALTH CRISIS IN THE STATE.~~

~~9 (D) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A SMALL  
10 BUSINESS THAT RECEIVES AN AWARD OR INVESTMENT FOR A PHASE I SMALL  
11 BUSINESS INNOVATION RESEARCH AWARD OR SMALL BUSINESS TECHNOLOGY  
12 TRANSFER AWARD SHALL RECEIVE AN AWARD OR INVESTMENT IN AN AMOUNT THAT  
13 IS THE LESSER OF:~~

~~14 (1) 25% OF THE PHASE I SMALL BUSINESS INNOVATION RESEARCH  
15 AWARD OR SMALL BUSINESS TECHNOLOGY TRANSFER AWARD; OR~~

~~16 (2) \$25,000.~~

~~17 (E) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A SMALL  
18 BUSINESS THAT RECEIVES AN AWARD OR INVESTMENT FOR A PHASE II SMALL  
19 BUSINESS INNOVATION RESEARCH AWARD OR SMALL BUSINESS TECHNOLOGY  
20 TRANSFER AWARD SHALL RECEIVE AN AWARD OR INVESTMENT IN AN AMOUNT THAT  
21 IS THE LESSER OF:~~

~~22 (1) 25% OF THE PHASE II SMALL BUSINESS INNOVATION RESEARCH  
23 AWARD OR SMALL BUSINESS TECHNOLOGY TRANSFER AWARD; OR~~

~~24 (2) \$75,000.~~

~~25 (F) ON THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR, THE  
26 BOARD MAY APPROVE AN AWARD OR INVESTMENT IN A SMALL BUSINESS IN EXCESS  
27 OF THE LIMITATIONS SPECIFIED UNDER SUBSECTIONS (D) AND (E) OF THIS SECTION  
28 IF THE BOARD DETERMINES THAT THE AWARD IS NECESSARY TO BETTER SERVE THE  
29 COMMUNITY AND THE PURPOSES OF THE PROGRAM.~~

~~30 (C) DURING EACH FISCAL YEAR:~~

~~31 (1) THE CORPORATION MAY NOT PROVIDE MORE THAN 20 AWARDS  
32 OR INVESTMENTS IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION OR  
33 MORE THAN 10 AWARDS OR INVESTMENTS IN ACCORDANCE WITH SUBSECTION (E)  
34 OF THIS SECTION; AND~~



1           ~~(2) A SMALL BUSINESS MAY NOT RECEIVE MORE THAN ONE AWARD OR~~  
2 ~~INVESTMENT.~~

3           ~~(H) A SMALL BUSINESS MAY NOT RECEIVE MORE THAN THREE AWARDS OR~~  
4 ~~INVESTMENTS UNDER THIS SUBTITLE.~~

5           ~~(I) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, EACH~~  
6 ~~QUARTER, THE CORPORATION SHALL PROVIDE AWARDS AND INVESTMENTS ON A~~  
7 ~~COMPETITIVE BASIS TO ELIGIBLE SMALL BUSINESSES.~~

8           ~~(2) IN PROVIDING AN AWARD OR INVESTMENT UNDER THIS SECTION,~~  
9 ~~THE CORPORATION:~~

10           ~~(I) SHALL CONSIDER:~~

11                   ~~1. THE IMPACT OF THE AWARD OR INVESTMENT ON THE~~  
12 ~~SMALL BUSINESS; AND~~

13                   ~~2. HOW THE SMALL BUSINESS WILL UTILIZE THE AWARD~~  
14 ~~OR INVESTMENT TOWARD COMMERCIALIZATION OF THE RESEARCH CONDUCTED BY~~  
15 ~~THE SMALL BUSINESS; AND~~

16           ~~(H) MAY CONSIDER ANY ADDITIONAL CRITERIA SPECIFIED BY~~  
17 ~~THE CORPORATION IN REGULATION.~~

18           ~~(J) THE PROGRAM SHALL COORDINATE WITH COMPARABLE STATE AND~~  
19 ~~COUNTY PROGRAMS TO:~~

20           ~~(1) CONDUCT MARKETING AND OUTREACH, INCLUDING CONDUCTING~~  
21 ~~JOINT WORKSHOPS, ONLINE TRAINING OPPORTUNITIES, AND OUTREACH TO~~  
22 ~~ECONOMICALLY DISADVANTAGED SMALL BUSINESSES, WOMEN OWNED SMALL~~  
23 ~~BUSINESSES, RURAL SMALL BUSINESSES, AND FIRST TIME SMALL BUSINESS~~  
24 ~~INNOVATION RESEARCH AWARD OR SMALL BUSINESS TECHNOLOGY TRANSFER~~  
25 ~~AWARD APPLICANTS; AND~~

26           ~~(2) PROVIDE ASSISTANCE TO ELIGIBLE BUSINESSES UNDER THIS~~  
27 ~~SUBTITLE.~~

28 ~~10-4C-05.~~

29           ~~(A) THERE IS A MARYLAND SMALL BUSINESS INNOVATION RESEARCH AND~~  
30 ~~TECHNOLOGY TRANSFER INCENTIVE MATCHING FUND.~~

1       ~~(B) THE PURPOSE OF THE FUND IS TO PROVIDE AWARDS OR INVESTMENTS~~  
2 ~~TO FURTHER STIMULATE INNOVATION AND ENTREPRENEURSHIP AND ATTRACT~~  
3 ~~EARLY-STAGE SMALL BUSINESSES ENGAGED IN RESEARCH AND DEVELOPMENT.~~

4       ~~(C) THE CORPORATION SHALL ADMINISTER THE FUND.~~

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

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

10       ~~(E) THE FUND CONSISTS OF:~~

11           ~~(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;~~

12           ~~(2) REPAYMENTS AND EARNINGS FROM INVESTMENTS MADE~~  
13 ~~THROUGH THE PROGRAM;~~

14           ~~(3) MONEY RECAPTURED FROM BUSINESSES THAT FAIL TO FULFILL~~  
15 ~~THE TERMS AND CONDITIONS OF AN AWARD OR INVESTMENT MADE THROUGH THE~~  
16 ~~PROGRAM;~~

17           ~~(4) INTEREST EARNINGS OF THE FUND; AND~~

18           ~~(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR~~  
19 ~~THE BENEFIT OF THE FUND.~~

20       ~~(F) THE FUND MAY BE USED ONLY FOR:~~

21           ~~(1) PROVIDING AWARDS OR INVESTMENTS TO ELIGIBLE SMALL~~  
22 ~~BUSINESSES THAT HAVE RECEIVED FINANCIAL ASSISTANCE FROM THE FEDERAL~~  
23 ~~GOVERNMENT UNDER COMPARABLE SMALL BUSINESS INNOVATION RESEARCH OR~~  
24 ~~SMALL BUSINESS TECHNOLOGY TRANSFER AWARD PROGRAMS; AND~~

25           ~~(2) ADMINISTRATIVE EXPENSES OF THE PROGRAM, INCLUDING~~  
26 ~~MARKETING, OUTREACH, AND TECHNICAL ASSISTANCE.~~

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

29           ~~(2) INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE~~  
30 ~~FUND.~~

1 ~~(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE~~  
2 ~~WITH THE STATE BUDGET.~~

3 ~~10-4C-06.~~

4 ~~THE CORPORATION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS~~  
5 ~~SUBTITLE.~~

6 ~~Article State Finance and Procurement~~

7 ~~6-226.~~

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

14 ~~(ii) The provisions of subparagraph (i) of this paragraph do not apply~~  
15 ~~to the following funds:~~

16 ~~122. the Racing and Community Development Financing Fund;~~  
17 ~~[and]~~

18 ~~123. the Racing and Community Development Facilities Fund;~~  
19 ~~AND~~

20 ~~124. THE MARYLAND SMALL BUSINESS INNOVATION~~  
21 ~~RESEARCH AND TECHNOLOGY TRANSFER INCENTIVE MATCHING FUND.~~

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2021.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.