

Chapter 415

(House Bill 1211)

AN ACT concerning

**Economic Development – Maryland Technology Development Corporation –
Pre–Seed Builder Fund**

FOR the purpose of establishing the Pre–Seed Builder Fund in the Maryland Technology Development Corporation as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Corporation to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; requiring the Governor to include in the annual budget bill a certain appropriation to the Fund; providing for the investment of money in the Fund; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; providing that the Fund is the successor to a certain fund; defining a certain term; and generally relating to the Maryland Technology Development Corporation and the Pre–Seed Builder Fund.

BY adding to

Article – Economic Development

Section 10–473 to be under the new part “Part VIII. Pre–Seed Builder Fund”

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)122. and 123.

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)124.

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

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

Article – Economic Development

10-471. RESERVED.

10-472. RESERVED.

PART VIII. PRE-SEED BUILDER FUND.

10-473.

(A) IN THIS SECTION, “FUND” MEANS THE PRE-SEED BUILDER FUND.

(B) THERE IS A PRE-SEED BUILDER FUND IN THE CORPORATION.

(C) THE PURPOSE OF THE FUND IS TO SUPPORT THE DEVELOPMENT OF START-UP COMPANIES RUN BY ENTREPRENEURS FROM SOCIALLY OR ECONOMICALLY DISADVANTAGED BACKGROUNDS THAT HINDER ACCESS TO TRADITIONAL FORMS OF CAPITAL AND EXECUTIVE NETWORKS AT THE PRE-SEED STAGE.

(D) THE CORPORATION SHALL MANAGE AND SUPERVISE THE FUND.

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

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

(F) (1) FOR FISCAL YEAR 2023, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 TO THE FUND.

(2) FOR FISCAL YEAR 2024, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$6,200,000 TO THE FUND.

(3) FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$7,500,000 TO THE FUND.

(G) (1) THE TREASURER SHALL INVEST MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY.

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

TO THE FUND.

Article – State Finance and Procurement

6–226.

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

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

122. the Racing and Community Development Financing Fund;

[and]

123. the Racing and Community Development Facilities Fund;

AND

124. THE PRE–SEED BUILDER FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That the Pre–Seed Builder Fund established under § 10–473 of the Economic Development Article, as enacted by Section 1 of this Act, is the successor to the Pre–Seed Builder Fund established under Title 14, Subtitle 4, Chapter 3 of the Code of Maryland Regulations.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.