



TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

SENATE BILL 634 - MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION – AUTHORITY

MARCH 21, 2024
SUPPORT

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland-based, technology companies. TEDCO appreciates the opportunity to provide a position statement on this legislation and urges favorable consideration of SB 634.

SB 634 is in the same posture as the companion bill, HB 776 that passed the House of Delegates and is pending in the Senate. This legislation provides clarification in existing TEDCO statute, explicitly authorizing TEDCO, subject to a written agreement, to receive compensation for administrative support and services provided to entities affiliated with TEDCO as defined under Economic Development 10-408(b)(10).

TEDCO's existing statute provides authority for TEDCO to 'create, own, control, or be a member of a corporation, limited liability company, partnership, or other entity, whether operated for profit or not for profit' (Economic Development 10-408(b)(10)). However, existing statute is currently unclear in TEDCO's authority to provide administrative/back-office support to the newly formed entity, and on whether TEDCO may be reimbursed for the administrative support costs. SB 634 explicitly authorizes TEDCO to enter into a written agreement with its affiliated entities to provide and be reimbursed for support provided to the entity.

As Maryland's tech-based entrepreneurial innovation ecosystem continues to grow and evolve, the needs of the ecosystem have also expanded and evolved. In an effort to support the needs of the ecosystem, while ensuring inclusive economic empowerment, TEDCO has explored and deployed various innovative approaches available through our unique charter to equip the ecosystem as it develops and matures.

A recent example is the introduction of the Institute for Women Entrepreneur Excellence, Inc. This program, which is a collaboration between TEDCO, Maryland's five Historically Black Colleges and Universities, Howard and Montgomery Counties, and Private Industry, is designed to empower promising women business leaders by addressing specific challenges female entrepreneurs face as they navigate Maryland's entrepreneurial innovation ecosystem. To facilitate the greatest level of collaboration between parties, the program was established as a 501(c)(3) within TEDCO as authorized under Economic Development 10-408(b)(10). However, uncertainty in TEDCO's ability to provide administrative/back-office support and receive compensation has presented limitations on TEDCO's capacity to support the program to its full extent. This legislation would provide TEDCO the versatility the better support these resources and ultimately the ecosystem.

We appreciated the opportunity to provide comment on SB 634 - Maryland Technology Development Corporation – Authority and urge favorable consideration.