

Chapter 474

(Senate Bill 960)

AN ACT concerning

Maryland Clean Energy Center – Climate Technology Founder’s Fund

FOR the purpose of establishing the Climate Technology Founder’s Fund in the Maryland Clean Energy Center; requiring interest earnings of the Climate Technology Founder’s Fund to be credited to the Climate Technology Founder’s Fund; requiring the Maryland Energy Administration to use the Maryland Strategic Energy Investment Fund to provide a certain amount of funding in certain fiscal years to the Climate Technology Founder’s Fund; authorizing the Governor to transfer, on or before a certain date, up to a certain amount of the funds in the Small, Minority, and Women–Owned Businesses Account to the Climate Technology Founder’s Fund; and generally relating to the Climate Technology Founder’s Fund within the Maryland Clean Energy Center.

BY renumbering

Article – Economic Development

Section 10–858 and the part “Part VI. Short Title”

to be Section 10–862 and the part “Part VII. Short Title”

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 5–1501(a) and 10–801(a), (d), and (f)

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 5–1501(b)(1)

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

BY adding to

Article – Economic Development

Section 10–858 and 10–859 to be under the new part “Part VI. Climate Technology Founder’s Fund”

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)189. and 190.
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)191.
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

BY repealing
Article – State Government
Section 9–20B–05(f)(9) ~~and (f–1) and (10), (f–2), and (f–3)~~
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

BY adding to
Article – State Government
Section 9–20B–05(f)(9)
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
~~Section 9–20B–05(f)(10) and (11), (f–2), (f–3), and (f–4)~~ Section 9–20B–05(f)(11),
(f–1), and (f–4)
Annotated Code of Maryland
(2021 Replacement Volume and 2023 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 10–858 and the part “Part VI. Short Title” of Article – Economic
Development of the Annotated Code of Maryland be renumbered to be Section(s) 10–862
and the part “Part VII. Short Title”.

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

Article – Economic Development

5–1501.

(a) There is a Small, Minority, and Women–Owned Businesses Account under the authority of the Department.

(b) (1) **[(i)]** The Account shall receive money as required under § 9–1A–27 of the State Government Article.

[(ii)] The Account shall receive money from the Strategic Energy Investment Fund as required under § 9–20B–05 of the State Government Article.]

10–801.

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

(d) “Board” means the Board of Directors of the Center.

(f) “Center” means the Maryland Clean Energy Center.

PART VI. CLIMATE TECHNOLOGY FOUNDER’S FUND.

10–858.

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

(B) “CLIMATE TECHNOLOGY” INCLUDES:

(1) SOLAR ENERGY;

(2) WIND ENERGY;

(3) ENERGY STORAGE DEVICES;

(4) GRID MODERNIZATION;

(5) CARBON CAPTURE UTILIZATION AND STORAGE; AND

(6) ANY OTHER TECHNOLOGY DEFINED BY THE CENTER THAT:

(I) REDUCES GREENHOUSE GAS EMISSIONS;

(II) MITIGATES THE IMPACTS OF CLIMATE CHANGE; OR

(III) PROVIDES A NEGATIVE EMISSION BENEFIT IN THE ELECTRIC, OIL, OR GAS SECTOR.

(C) “FUND” MEANS THE CLIMATE TECHNOLOGY FOUNDER’S FUND.

(D) “QUALIFIED PROJECT” MEANS A PROJECT RELATED TO CLIMATE TECHNOLOGY.

10-859.

(A) THERE IS A CLIMATE TECHNOLOGY FOUNDER’S FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE EARLY-STAGE FUNDING FOR START-UP COMPANIES FOCUSED ON QUALIFIED PROJECTS IN CLIMATE TECHNOLOGIES.

(C) (1) THE CENTER SHALL ADMINISTER THE FUND.

(2) THE CENTER SHALL ESTABLISH A FUND OVERSIGHT COMMITTEE, APPOINTED BY THE BOARD, TO MANAGE THE FUND.

(D) THE FUND CONSISTS OF:

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

(2) MONEY MADE AVAILABLE TO THE FUND THROUGH PRIVATE CONTRIBUTIONS AND FEDERAL GRANTS OR PROGRAMS;

(3) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL OF COLLATERAL RELATED TO FINANCING MADE FROM THE FUND;

(4) REPAYMENT OF FINANCING MADE FROM THE FUND;

(5) RETURNS FROM OR RECOVERY OF ANY FINANCING MADE FROM THE FUND;

(6) PROCEEDS FROM THE SALE OF ANY FINANCING MADE OR ASSETS ACQUIRED WITH PROCEEDS FROM THE FUND;

(7) MONEY TRANSFERRED FROM THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE;

(8) INTEREST EARNINGS ON MONEY IN THE FUND; AND

(9) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(E) (1) THE FUND MAY BE USED ONLY TO:

(I) EVALUATE AND COORDINATE FINANCING FOR QUALIFIED PROJECTS RELATED TO THE PURPOSE OF THE FUND;

(II) PROVIDE FINANCING TO QUALIFIED PROJECTS;

(III) SECURE PRIVATE INVESTMENT CAPITAL FOR FINANCING OF QUALIFIED PROJECTS; AND

(IV) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ADMINISTER THE FUND AND THE ACTIVITIES OF THE CENTER IN CARRYING OUT THIS PART.

~~(2) NOT MORE THAN 10% OF THE FUND BALANCE MAY BE USED FOR ADMINISTRATIVE PURPOSES~~ MONEY IN THE FUND MAY BE ALLOCATED AS FOLLOWS:

(I) UP TO \$1,720,000 FOR DIRECT INVESTMENTS OF THE FUND;

(II) UP TO \$3,280,000 FOR THE MARYLAND CLEAN ENERGY CENTER AND THE MARYLAND ENERGY INNOVATION ACCELERATOR TECH SUPPORT PROGRAMS; AND

(III) UP TO \$2,000,000 FOR MARYLAND ENERGY INNOVATION INSTITUTE SEED GRANTS.

(F) (1) ~~IN~~ SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, IN DETERMINING THE QUALIFIED PROJECTS TO RECEIVE ~~FINANCING~~ INVESTMENT FROM THE FUND, THE ~~DEPARTMENT~~ CENTER SHALL GIVE PREFERENCE TO COMPANIES THAT ARE SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE CLEAN ENERGY INDUSTRY.

(2) AT LEAST 40% OF THE FUNDS AWARDED BY THE CENTER SHALL BE USED FOR EQUITY INVESTMENTS IN MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES START-UP COMPANIES.

(3) FORTY PERCENT OF THE FUNDING FROM THE CENTER'S OVERALL APPROPRIATION THAT IS ALLOCATED FOR MARYLAND ENERGY INNOVATION INSTITUTE SEED GRANTS SHALL BE USED TO PROVIDE GRANTS FOR START-UP COMPANIES FROM MINORITY SERVING INSTITUTIONS.

(G) (1) EXPENDITURES FROM THE FUND MAY BE MADE ONLY WITH APPROVAL OF THE FUND OVERSIGHT COMMITTEE.

(2) A RECIPIENT OF FINANCIAL ASSISTANCE UNDER THIS SECTION SHALL PROVIDE MATCHING FUNDS FOR THE QUALIFIED PROJECT EQUAL TO THE AMOUNT OF FINANCIAL ASSISTANCE AWARDED FROM THE FUND BY THE CENTER.

(H) ON OR BEFORE OCTOBER 1 EACH YEAR, THE CENTER SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE USE OF THE FUND AND OUTCOMES OF INVESTMENTS MADE FROM THE FUND.

10-860. RESERVED.

10-861. RESERVED.

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:

189. the Teacher Retention and Development Fund; [and]

190. the Protecting Against Hate Crimes Grant Fund; AND

191. THE CLIMATE TECHNOLOGY FOUNDER’S FUND.

Article – State Government

9-20B-05.

(f) The Administration shall use the Fund:

[(9) subject to subsections (f-1) and (f-3) of this section, to provide \$7,000,000 in funding for access to capital for small, minority, women-owned, and

veteran-owned businesses in the clean energy industry under § 5-1501 of the Economic Development Article, allocated in annual increments as follows:

- (i) \$200,000 in fiscal year 2021;
- (ii) \$500,000 in fiscal year 2022;
- (iii) \$500,000 in fiscal year 2023;
- (iv) \$1,000,000 in fiscal year 2024; and
- (v) \$1,200,000 in each fiscal year from 2025 through 2028;]

(9) TO PROVIDE AT LEAST \$1,200,000 IN EACH FISCAL YEAR FOR FISCAL YEAR 2025 THROUGH FISCAL YEAR 2028 TO THE CLIMATE TECHNOLOGY FOUNDER'S FUND ESTABLISHED UNDER § 10-858 OF THE ECONOMIC DEVELOPMENT ARTICLE;

~~(10) subject to subsections [(f-2) and (f-3)] (F-1) AND (F-2) of this section, to invest in pre-apprenticeship, youth apprenticeship, and registered apprenticeship programs to establish career paths in the clean energy industry under § 11-708.1 of the Labor and Employment Article, as follows:~~

~~(i) \$1,250,000 for grants to pre-apprenticeship jobs training programs under § 11-708.1(e)(3) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;~~

~~(ii) \$6,000,000 for grants to youth apprenticeship jobs training programs and registered apprenticeship jobs training programs under § 11-708.1(e)(5) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; and~~

~~(iii) \$750,000 for the recruitment of individuals, including veterans and formerly incarcerated individuals, to the pre-apprenticeship jobs training programs and the registered apprenticeship jobs training programs under § 11-708.1 of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;~~

~~(11) (10) subject to subsection [(f-4)] (F-3) (F-2) of this section, to provide at least \$2,100,000 in funding each fiscal year to the Maryland Energy Innovation Fund established under § 10-835 of the Economic Development Article;~~

~~[(f-1) (1) Any funding provided under subsection (f)(9) of this section that is not spent in a given fiscal year shall revert to the Fund in the following fiscal year.~~

~~(2) Funding that is provided for access to capital for small, minority, women owned, and veteran owned businesses under subsection (f)(9) of this section shall~~

~~be used to provide grants to eligible fund managers to provide investment capital, including equity and similar investments, and loans to small, minority, women-owned, and veteran-owned businesses in the State in the clean energy industry.~~

~~(3) Eligible fund managers receiving grants under subsection (f)(9) of this section may use a portion of the money received to pay ordinary and reasonable expenses for administrative, actuarial, legal, marketing, and technical services and management fees.~~

~~(4)~~ **(2)** The Administration may provide additional funding for the purposes stated in subsection (f)(9) of this section.†

~~[(f-2)] (F-1) An \$8,000,000 payment for workforce development programs under subsection (f)(10) of this section starting in fiscal year 2021 shall be derived from the Renewable Energy, Climate Change account of the Fund.~~

~~[(f-3)] (F-2) Funding under subsection [(f)(9) and (10)] (F)(10) of this section for access to capital, investment, promotion, or implementation should be directed only to businesses that agree to create and maintain jobs that promote family-sustaining wages, employer-provided health care with affordable deductibles and co-pays, career advancement training, fair scheduling, employer-paid workers' compensation and unemployment insurance, a retirement plan, paid time off, and the right to bargain collectively for wages and benefits.~~

[(f-4)] ~~(F-3)~~ **(F-2)** Of the funds transferred to the Maryland Energy Innovation Fund under subsection ~~(f)(11)~~ **(F)(10)** of this section:

(1) at least \$1,200,000 may be used to fund the Maryland Clean Energy Center established under § 10-806 of the Economic Development Article; and

(2) at least \$900,000 may be used to fund the Maryland Energy Innovation Institute established under § 10-829 of the Economic Development Article.

SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2024, the Governor may transfer up to \$2,200,000 of the funds in the Small, Minority, and Women-Owned Businesses Account established under § 5-1501 of the Economic Development Article that are attributable to funds from the Maryland Strategic Energy Investment Fund to the Climate Technology Founder's Fund established under § 10-859 of the Economic Development Article, as enacted by Section 2 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2024.

Approved by the Governor, May 9, 2024.