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By: ~~Senators Hogan, Neall, and Teitelbaum~~ **Teitelbaum, Hoffman, Van Hollen, Currie, Kasemeyer, Lawlah, Madden, McFadden, Middleton, Munson, Ruben, and Stoltzfus**

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 21, 2001

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Technology Development Corporation - Maryland Technology**  
3 **Incubator Program**

4 FOR the purpose of creating the Maryland Technology Incubator Program and  
5 providing that the Program is administered by the Maryland Technology  
6 Development Corporation; providing for the purpose of the Program;  
7 authorizing the Board of Directors of the Corporation to use certain public and  
8 private moneys in awarding ~~grants~~ financial assistance; requiring the Board, in  
9 consultation with the Secretary of Economic and Business Development, to  
10 adopt ~~certain regulations governing the criteria and requirements for~~  
11 procedures for awarding grants financial assistance; authorizing the Board to  
12 award ~~grants~~ financial assistance to certain entities; requiring the Board to  
13 consider certain factors in awarding ~~grants~~ financial assistance; imposing  
14 certain conditions for the receipt of ~~grants~~ financial assistance for certain  
15 purposes; limiting the aggregate amount of ~~grants~~ financial assistance for those  
16 purposes which may be made in each county in any single fiscal year; ~~requiring~~  
17 the Governor to fund the Program at a certain level in a future fiscal year  
18 creating a Maryland Technology Incubator Program Fund; providing that the  
19 Corporation is the administrator of the Fund; specifying the use of the Fund;  
20 specifying what the Fund consists of and what expenditures can be made from  
21 the Fund; requiring the Corporation to report by a certain date to the General  
22 Assembly on certain activities; defining certain terms; providing for an  
23 abnormal effective date; and generally relating to the Maryland Technology  
24 Incubator Program.

25 BY adding to

1 Article 83A - Department of Business and Economic Development  
2 Section 5-2A-04.1  
3 Annotated Code of Maryland  
4 (1998 Replacement Volume and 2000 Supplement)

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

7 **Article 83A - Department of Business and Economic Development**

8 5-2A-04.1.

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (2) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE CORPORATION.

12 (3) "FINANCIAL ASSISTANCE" MEANS GRANTS, LOANS, CREDIT  
13 ENHANCEMENTS, OR ANOTHER FORM OR MANNER OF ASSISTANCE.

14 ~~(3)~~ (4) "PROGRAM" MEANS THE MARYLAND TECHNOLOGY INCUBATOR  
15 PROGRAM.

16 (B) (1) THERE IS A MARYLAND TECHNOLOGY INCUBATOR PROGRAM.

17 (2) THE PROGRAM IS ADMINISTERED BY THE CORPORATION.

18 (C) THE PURPOSE OF THE PROGRAM IS TO PROMOTE ENTREPRENEURSHIP  
19 AND THE CREATION OF JOBS IN TECHNOLOGY-RELATED INDUSTRY BY  
20 ESTABLISHING AND OPERATING EFFECTIVE INCUBATORS THROUGHOUT THE STATE  
21 THAT PROVIDE ADEQUATE PHYSICAL SPACE DESIGNED, AND PROGRAMS INTENDED,  
22 TO INCREASE OR ACCELERATE BUSINESS SUCCESS IN THE FIELD OF TECHNOLOGY.

23 (D) (1) THE BOARD SHALL AWARD ~~GRANTS~~ FINANCIAL ASSISTANCE UNDER  
24 THIS SECTION TO FURTHER THE PURPOSES STATED IN SUBSECTION (C) OF THIS  
25 SECTION.

26 (2) THE BOARD MAY AWARD ~~GRANTS~~ FINANCIAL ASSISTANCE USING  
27 MONEYS PROVIDED BY:

28 (I) THE STATE;

29 (II) THE FEDERAL GOVERNMENT; OR

30 (III) A NONGOVERNMENTAL ENTITY.

31 (3) AFTER CONSULTING WITH THE SECRETARY, THE BOARD SHALL  
32 ESTABLISH CRITERIA AND REQUIREMENTS FOR THE AWARDED OF ~~GRANTS~~  
33 FINANCIAL ASSISTANCE, WHICH SHALL:

1 (I) SUPPORT THE DEVELOPMENT AND USE OF BEST PRACTICES IN  
2 THE INCUBATION PROCESS;

3 (II) PROVIDE STRATEGIC PLANNING, NEEDS ASSESSMENTS, AND  
4 FEASIBILITY STUDIES; OR

5 (III) ASSIST IN THE ACQUISITION AND CONSTRUCTION OF NEW OR  
6 EXPANDED SPACE OR THE RENOVATION OF EXISTING SPACE FOR AN INCUBATOR,  
7 INCLUDING BY PROVIDING OR ASSISTING WITH:

8 1. LAND ACQUISITION;

9 2. THE OBTAINING OF ARCHITECTURAL AND ENGINEERING  
10 SERVICES;

11 3. THE PAYMENT OF ADMINISTRATIVE COSTS;

12 4. THE DEVELOPMENT OR UPGRADING OF  
13 COMMUNICATIONS INFRASTRUCTURE;

14 5. THE ACQUISITION OF FURNISHINGS AND EQUIPMENT; OR

15 6. THE ACQUISITION OR PURCHASE OF OTHER ITEMS  
16 ASSOCIATED WITH TENANT ~~EXPANSION~~ BUILD-OUT.

17 (E) (1) THE BOARD MAY AWARD ~~A GRANT~~ FINANCIAL ASSISTANCE TO:

18 (I) A LOCAL GOVERNMENT;

19 (II) AN AGENCY OR INSTRUMENTALITY DESIGNATED BY THE  
20 LOCAL GOVERNMENT, INCLUDING:

21 ~~1.~~ A NONPROFIT CORPORATION;

22 ~~2.~~ (III) A PUBLIC OR PRIVATE COLLEGE OR UNIVERSITY; ~~OR~~

23 ~~3.~~ (IV) THE MARYLAND ECONOMIC DEVELOPMENT  
24 CORPORATION; OR

25 ~~(III)~~ (V) A NONPROFIT ENTITY OPERATING AN INCUBATOR IN THE  
26 STATE.

27 (2) ~~IN DETERMINING WHETHER TO AWARD A GRANT UNDER~~  
28 ~~SUBSECTION (D)(3)(III) OF THIS SECTION, THE BOARD SHALL CONSIDER:~~

29 ~~(I) WHETHER THE PROPOSED PROJECT IS CONSISTENT WITH THE~~  
30 ~~STATE'S STRATEGIC ECONOMIC DEVELOPMENT PLAN;~~

31 ~~(II) WHETHER THE PROPOSED PROJECT IS LOCATED WITHIN A~~  
32 ~~PRIORITY FUNDING AREA;~~

1                   (III)    ~~WHETHER THE PROPOSED PROJECT IS LOCATED WITHIN AN~~  
2 ~~UNDERSERVED AREA;~~

3                   (IV)    ~~THE LEVEL OF FINANCIAL COMMITMENT THAT THE APPLICANT~~  
4 ~~IS ABLE TO PROVIDE; AND~~

5                   (V)     ~~ANY OTHER FACTORS THAT THE BOARD DETERMINES TO BE~~  
6 ~~APPROPRIATE~~ THE BOARD SHALL ADOPT REGULATIONS ESTABLISHING THE  
7 CRITERIA AND PROCEDURES FOR THE AWARDING OF FINANCIAL ASSISTANCE  
8 UNDER THIS SECTION.

9       (F)       (1)     UNLESS THE REQUIREMENT IS WAIVED BY THE BOARD IN WHOLE OR  
10 PART, FOR GOOD CAUSE SHOWN, A RECIPIENT OF A ~~GRANT~~ FINANCIAL ASSISTANCE  
11 UNDER SUBSECTION (D)(3)(III) OF THIS SECTION SHALL PROVIDE MATCHING FUNDS  
12 OR IN-KIND CONTRIBUTIONS FOR THE PROJECT THAT ARE AT LEAST EQUAL TO THE  
13 AMOUNT OF THE ~~GRANT~~ FINANCIAL ASSISTANCE AWARDED.

14               (2)     UNLESS OTHERWISE APPROVED BY A TWO-THIRDS VOTE OF THE  
15 MEMBERSHIP OF THE BOARD, THE BOARD MAY NOT AWARD ~~GRANTS~~ FINANCIAL  
16 ASSISTANCE WITHIN A SINGLE COUNTY OR WITHIN BALTIMORE CITY UNDER  
17 SUBSECTION (D)(3)(III) OF THIS SECTION THAT EXCEED A TOTAL OF \$1,000,000 IN ANY  
18 FISCAL YEAR.

19       (G)       (1)     THERE IS A MARYLAND TECHNOLOGY INCUBATOR PROGRAM FUND.

20               (2)     THE FUND IS A CONTINUING, NONLAPSING FUND WHICH IS NOT  
21 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

22               (3)     THE FUND SHALL BE ADMINISTERED BY THE MARYLAND  
23 TECHNOLOGY DEVELOPMENT CORPORATION AND SHALL BE USED EXCLUSIVELY  
24 FOR THE PURPOSE OF PROVIDING FINANCIAL ASSISTANCE IN THE MANNER  
25 PROVIDED UNDER THIS SECTION.

26               (4)     THE FUND CONSISTS OF:

27                   (I)     MONEYS APPROPRIATED IN THE STATE BUDGET TO THE FUND;

28                   (II)    MONEYS MADE AVAILABLE TO THE FUND THROUGH FEDERAL  
29 PROGRAMS OR PRIVATE CONTRIBUTIONS;

30                   (III)   PREMIUMS, FEES, PENALTIES, INTEREST PAYMENTS, AND  
31 PRINCIPAL PAYMENTS RELATED TO FINANCIAL ASSISTANCE PROVIDED FROM THE  
32 FUND;

33                   (IV)    PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL  
34 OF COLLATERAL RELATED TO ANY FINANCIAL ASSISTANCE PROVIDED FROM THE  
35 FUND;

36                   (V)     APPLICATION OR OTHER FEES PAID TO THE FUND IN  
37 CONNECTION WITH THE PROCESSING OF REQUESTS FOR FINANCIAL ASSISTANCE;

1 (VI) EARNINGS FROM THE INVESTMENT OF MONEYS IN THE FUND;

2 AND

3 (VII) ANY OTHER MONEYS MADE AVAILABLE TO THE FUND.

4 (5) EXPENDITURES FROM THE FUND MAY BE MADE ONLY:

5 (I) PURSUANT TO AN APPROPRIATION APPROVED BY THE

6 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET; OR

7 (II) BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN §

8 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

9 SECTION 2. AND BE IT FURTHER ENACTED, That ~~the Governor of~~  
10 ~~Maryland shall include \$10,000,000 in the fiscal year 2003 State budget to fund the~~  
11 ~~Maryland Technology Incubator Program within 90 days following the end of each~~  
12 ~~fiscal year the Maryland Technology Development Corporation shall report to the~~  
13 ~~General Assembly, in accordance with § 2-1246 of the State Government Article, on~~  
14 ~~the activities of the Maryland Technology Incubator Program during the previous~~  
15 ~~fiscal year and anticipated activities for the following fiscal year.~~

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 June 1, 2001.