

# HOUSE BILL 741

C8, Q7, F2

4lr2753  
CF SB 601

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By: Delegates Bohanan, Barnes, Barve, Beidle, Branch, Braveboy, Bromwell, Busch, Cane, Carter, Clagett, Conway, Cullison, Davis, DeBoy, Donoghue, Dumais, Frick, Gaines, Griffith, Guzzone, Hammen, Haynes, Healey, Hixson, Holmes, Hubbard, James, Jameson, Jones, Kaiser, A. Kelly, Lafferty, Luedtke, Malone, McHale, McIntosh, A. Miller, Murphy, Oaks, Olszewski, Pena-Melnyk, Pendergrass, Proctor, B. Robinson, Rudolph, Sophocleus, Stein, Tarrant, F. Turner, V. Turner, Vallario, Waldstreicher, Walker, A. Washington, M. Washington, Weir, Wilson, Wood, and Zucker

Introduced and read first time: February 3, 2014  
Assigned to: Ways and Means and Appropriations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 28, 2014

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

1 AN ACT concerning

2 **Business and Economic Development – Maryland E–Nnovation Initiative**  
3 **Program**

4 FOR the purpose of establishing a Maryland E–Nnovation Initiative Program for  
5 certain purposes; establishing a Maryland E–Nnovation Initiative Fund in the  
6 Department of Business and Economic Development for certain purposes;  
7 establishing a Maryland E–Nnovation Initiative Fund Authority in the  
8 Department for certain purposes; requiring the Governor to include in the  
9 annual budget bill certain appropriations to the Fund for certain fiscal years;  
10 providing for the investment of money in and expenditures from the Fund;  
11 providing for the membership and duties of the Authority; ~~allowing certain~~  
12 ~~persons to purchase credits against the insurance premium tax or Maryland~~  
13 ~~corporate income tax in order to fund certain research at certain institutions of~~  
14 ~~higher education;~~ providing for the duties of the Department in connection with  
15 the Program; ~~requiring the Authority to obtain the services of an independent~~  
16 ~~third party to conduct a bidding process for the purchase of certain tax credits~~  
17 ~~for certain purposes; establishing certain requirements for certain offers for~~

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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.



~~certain tax credit bids; limiting the total tax credits that may be allowed for all~~  
~~years; requiring certain dedicated capital to be paid to the Fund in certain~~  
~~amounts in accordance with certain procedures; requiring the Department to~~  
~~issue certain tax credit certificates in a certain manner; providing for certain~~  
~~penalties under certain circumstances; authorizing the Department to purchase~~  
~~certain insurance for certain purposes; authorizing a purchaser of certain tax~~  
~~credits to claim the credits for certain taxable years in a certain manner;~~  
~~providing for the transfer of certain tax credits under certain circumstances;~~  
 providing for the creation and administration of certain research endowments  
 by certain governing bodies of certain institutions of higher education; requiring  
 certain institutions of higher education to obtain certain qualified donations in  
 order to receive certain matching funds; requiring certain reports on the receipt  
 of qualified donations; providing for the expenditure of endowment proceeds  
 under certain circumstances; establishing certain requirements for certain  
 individuals in certain positions funded by endowment proceeds; requiring the  
 Authority to issue certain eligibility criteria; requiring the governing body of a  
 certain institution of higher education to submit certain research endowment  
 plans to the Authority; requiring the Authority to make available a certain  
 amount of funds to match qualified donations; requiring the Authority to review  
 certain requests and distribute certain funds under certain circumstances;  
 requiring a certain institution of higher education to deposit certain qualified  
 donations into certain research endowments by a certain date within a certain  
time period; providing for the reallocation of certain funds under certain  
 circumstances; ~~requiring that certain designated capital be treated in a certain~~  
~~manner under certain circumstances; requiring the Department to submit~~  
~~certain information to the Maryland Insurance Administration; providing for~~  
~~the application of certain laws to certain services and transactions under this~~  
~~Act~~; requiring the Department to administer the Program and to adopt certain  
 regulations; requiring the Department to submit an annual report to the  
 Governor and certain committees of the General Assembly on certain matters;  
 requiring the Department to publish the report on the Department's Web site in  
 a certain format; prohibiting a certain publication from including any  
 proprietary or confidential information; altering the distribution of certain  
revenue from a certain tax in a certain manner; defining certain terms; and  
 generally relating to ~~tax credits, higher education,~~ higher education and the  
 Maryland E–Nnovation Initiative Program.

BY adding to

Article – Economic Development

Section 6–601 through ~~6–631~~ 6–623 to be under the new subtitle “Subtitle 6.  
 Maryland E–Nnovation Initiative Program”

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

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

~~Article – Insurance~~

~~Section 6–122~~

1 ~~Annotated Code of Maryland~~  
 2 ~~(2011 Replacement Volume and 2013 Supplement)~~

3 BY repealing and reenacting, without amendments,  
 4 Article – State Finance and Procurement  
 5 Section 6–226(a)(2)(i)  
 6 Annotated Code of Maryland  
 7 (2009 Replacement Volume and 2013 Supplement)

8 BY repealing and reenacting, with amendments,  
 9 Article – State Finance and Procurement  
 10 Section 6–226(a)(2)(ii)76. and 77.  
 11 Annotated Code of Maryland  
 12 (2009 Replacement Volume and 2013 Supplement)

13 BY adding to  
 14 Article – State Finance and Procurement  
 15 Section 6–226(a)(2)(ii)78.  
 16 Annotated Code of Maryland  
 17 (2009 Replacement Volume and 2013 Supplement)

18 BY repealing and reenacting, with amendments,  
 19 Article – Tax – General  
 20 Section 2–202(a)(1)  
 21 Annotated Code of Maryland  
 22 (2010 Replacement Volume and 2013 Supplement)

23 Preamble

24 WHEREAS, The State of Maryland is home to world–class research  
 25 universities, national federal laboratories, and businesses; and

26 WHEREAS, Our region is home to the White House, U.S. Congress, federal  
 27 agencies, embassies, trade associations, regulatory agencies, foundations, corporate  
 28 headquarters, and other technology and policy resources; and

29 WHEREAS, By recruiting and retaining top university researchers and  
 30 encouraging collaboration among Maryland research universities and federal agencies,  
 31 the Maryland General Assembly can enhance the economic competitiveness of the  
 32 State and build on existing clusters of research and innovation; and

33 WHEREAS, By stimulating corporate, foundation, and private donor support for  
 34 university professorships, endowed chairs, and related public–private partnerships,  
 35 Maryland can spur progress on key national technical and scientific issues facing the  
 36 nation while supporting job growth and economic development in Maryland; and

1 WHEREAS, Leveraging the impact of State funds through matching funds from  
 2 the private sector to create a \$100 million Maryland E–Nnovation Initiative Program  
 3 will provide Maryland with a tremendous advantage in the global competition for the  
 4 best minds in the world and the opportunities, jobs, and industries created by their  
 5 work; now, therefore,

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

8 **Article – Economic Development**

9 **SUBTITLE 6. MARYLAND E–NNOVATION INITIATIVE PROGRAM.**

10 **PART I. DEFINITIONS.**

11 **6–601.**

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

14 ~~(B) “ALLOCATION AMOUNT” MEANS THE TOTAL AMOUNT OF TAX~~  
 15 ~~CREDITS ALLOCATED TO A PURCHASER.~~

16 ~~(C) “ALLOCATION DATE” MEANS THE DATE ON WHICH TAX CREDITS ARE~~  
 17 ~~ALLOCATED TO A PURCHASER UNDER § 6–614 OF THIS SUBTITLE.~~

18 ~~(D)~~ (B) “AUTHORITY” MEANS THE MARYLAND E–NNOVATION  
 19 INITIATIVE FUND AUTHORITY ESTABLISHED UNDER § 6–605 OF THIS SUBTITLE.

20 ~~(E) “DESIGNATED CAPITAL” MEANS THE AMOUNT OF MONEY THAT A~~  
 21 ~~PURCHASER INVESTS UNDER THE PROGRAM.~~

22 ~~(F)~~ (C) “ENDOWMENT PROCEEDS” MEANS THOSE INVESTMENT  
 23 EARNINGS ACCRUING TO A RESEARCH ENDOWMENT OF A NONPROFIT  
 24 INSTITUTION OF HIGHER EDUCATION AND AVAILABLE FOR EXPENDITURE BY  
 25 THE INSTITUTION IN ACCORDANCE WITH ~~§ 6–618~~ § 6–612 OF THIS SUBTITLE.

26 ~~(G)~~ (D) “FUND” MEANS THE MARYLAND E–NNOVATION INITIATIVE  
 27 FUND CREATED UNDER § 6–604 OF THIS SUBTITLE.

28 ~~(H)~~ (E) “GOVERNING BOARD” HAS THE MEANING STATED IN § 10–101  
 29 OF THE EDUCATION ARTICLE.

30 ~~(I)~~ (F) “GOVERNING BODY” MEANS:

1 (1) A GOVERNING BOARD;

2 (2) THE GOVERNING ENTITY OF PRIVATE NONPROFIT  
3 INSTITUTIONS OF HIGHER EDUCATION; OR

4 (3) THE GOVERNING ENTITY OF A REGIONAL HIGHER EDUCATION  
5 CENTER.

6 ~~(J)~~ ~~“INSURANCE PREMIUM TAX LIABILITY” MEANS:~~

7 ~~(1) ANY LIABILITY INCURRED BY AN INSURANCE COMPANY~~  
8 ~~UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE AS OF OCTOBER 1,~~  
9 ~~2014; OR~~

10 ~~(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS~~  
11 ~~SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS~~  
12 ~~BEEN IMPOSED BY THE STATE ON THE INSURANCE COMPANY AS OF OCTOBER 1,~~  
13 ~~2014, NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR~~  
14 ~~REDUCED.~~

15 ~~(K)~~ ~~“MARYLAND CORPORATE INCOME TAX LIABILITY” MEANS:~~

16 ~~(1) ANY LIABILITY INCURRED BY A CORPORATION UNDER TITLE~~  
17 ~~10, SUBTITLE 1 OF THE TAX GENERAL ARTICLE AS OF OCTOBER 1, 2014; OR~~

18 ~~(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS~~  
19 ~~SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS~~  
20 ~~BEEN IMPOSED BY THE STATE ON THE CORPORATION AS OF OCTOBER 1, 2014,~~  
21 ~~NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.~~

22 ~~(L)~~ (G) (1) “NONPROFIT INSTITUTION OF HIGHER EDUCATION”  
23 MEANS AN INSTITUTION OF POSTSECONDARY EDUCATION LOCATED IN THE  
24 STATE, THAT RECEIVES STATE FUNDS IN THE ANNUAL OPERATING BUDGET AND  
25 THAT GENERALLY LIMITS ENROLLMENT TO GRADUATES OF SECONDARY  
26 SCHOOLS AND AWARDS DEGREES AT EITHER THE ASSOCIATE, BACCALAUREATE,  
27 OR GRADUATE LEVEL.

28 (2) “NONPROFIT INSTITUTION OF HIGHER EDUCATION”  
29 INCLUDES PUBLIC AND PRIVATE NONPROFIT INSTITUTIONS OF HIGHER  
30 EDUCATION LOCATED IN THE STATE.

31 ~~(M)~~ (H) “PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION”  
32 HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

1       ~~(N)~~ (I)       “PROGRAM” MEANS THE MARYLAND E-NOVATION  
2 INITIATIVE PROGRAM UNDER THIS SUBTITLE.

3       ~~(O)~~       “~~PURCHASER~~” MEANS:

4               ~~(1)~~    ~~AN INSURANCE COMPANY THAT:~~

5                       ~~(I)~~    ~~IS AUTHORIZED TO DO BUSINESS IN THE STATE;~~

6                       ~~(II)~~   ~~HAS INSURANCE PREMIUM TAX LIABILITY; AND~~

7                       ~~(III)~~ ~~CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN~~  
8 ~~ALLOCATION OF PREMIUM TAX CREDITS UNDER THE PROGRAM;~~

9               ~~(2)~~    ~~A HOLDING COMPANY THAT:~~

10                      ~~(I)~~    ~~HAS AT LEAST ONE INSURANCE COMPANY SUBSIDIARY~~  
11 ~~AUTHORIZED TO DO BUSINESS IN THE STATE; AND~~

12                      ~~(II)~~   ~~IS CONTRIBUTING DESIGNATED CAPITAL ON BEHALF OF~~  
13 ~~ONE OR MORE OF THESE SUBSIDIARIES; OR~~

14               ~~(3)~~    ~~A CORPORATION THAT:~~

15                      ~~(I)~~    ~~HAS MARYLAND CORPORATE INCOME TAX LIABILITY;~~  
16 ~~AND~~

17                      ~~(II)~~   ~~CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN~~  
18 ~~ALLOCATION OF MARYLAND CORPORATE INCOME TAX CREDITS UNDER THE~~  
19 ~~PROGRAM.~~

20       ~~(P)~~ (J)       “QUALIFIED DONATION” MEANS ANY PRIVATE DONATION,  
21 GIFT, IRREVOCABLE PLEDGE, OR BEQUEST TO A RESEARCH ENDOWMENT IN  
22 ACCORDANCE WITH ~~§ 6-619~~ § 6-613 OF THIS SUBTITLE.

23       ~~(Q)~~ (K)       “REGIONAL HIGHER EDUCATION CENTER” HAS THE MEANING  
24 STATED IN § 10-101 OF THE EDUCATION ARTICLE.

25       ~~(R)~~ (L)       “RESEARCH ENDOWMENT” MEANS AN ACCOUNT  
26 ESTABLISHED AT OR ADMINISTERED BY A NONPROFIT INSTITUTION OF HIGHER  
27 EDUCATION IN ACCORDANCE WITH ~~§ 6-618~~ § 6-612 OF THIS SUBTITLE.

1 ~~(S) "TAX CREDIT" MEANS A CREDIT AGAINST INSURANCE PREMIUM TAX~~  
2 ~~LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY OFFERED TO A~~  
3 ~~PURCHASER UNDER THE PROGRAM.~~

4 **6-602. RESERVED.**

5 **6-603. RESERVED.**

6 **PART II. MARYLAND E-NOVATION INITIATIVE FUND AND AUTHORITY.**

7 **6-604.**

8 **(A) THERE IS A MARYLAND E-NOVATION INITIATIVE FUND IN THE**  
9 **DEPARTMENT.**

10 **(B) THE SECRETARY SHALL MANAGE AND SUPERVISE THE FUND.**

11 **(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
12 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

13 **(2) THE STATE TREASURER SHALL HOLD THE FUND**  
14 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

15 **(D) THE FUND CONSISTS OF:**

16 **(1) ~~DESIGNATED CAPITAL~~ REVENUE DISTRIBUTED TO THE FUND**  
17 **UNDER § ~~6-612~~ OF THIS SUBTITLE; 2-202(A)(1) OF THE TAX - GENERAL**  
18 **ARTICLE;**

19 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**  
20 **AND**

21 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
22 **THE BENEFIT OF THE FUND.**

23 **(E) FOR EACH OF FISCAL YEARS 2016 THROUGH 2021, THE GOVERNOR**  
24 **SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE FUND IN AN**  
25 **AMOUNT THAT WHEN COMBINED WITH THE AMOUNT ESTIMATED TO BE**  
26 **DISTRIBUTED TO THE FUND UNDER SUBSECTION (D)(1) OF THIS SECTION**  
27 **EQUALS AT LEAST \$8,500,000.**

28 ~~(E)~~ **(F) THE DEPARTMENT MAY USE THE FUND TO:**

1           (1) FINANCE RESEARCH ENDOWMENTS AT NONPROFIT  
2 INSTITUTIONS OF HIGHER EDUCATION IN SCIENTIFIC AND TECHNICAL FIELDS  
3 OF STUDY; AND

4           (2) PAY THE RELATED ADMINISTRATIVE, LEGAL, AND ACTUARIAL  
5 EXPENSES OF THE DEPARTMENT.

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

8           (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE  
9 CREDITED TO THE FUND.

10       ~~(G)~~ (H)       EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN  
11 ACCORDANCE WITH THE STATE BUDGET.

12 **6-605.**

13       THERE IS A MARYLAND E-NOVATION INITIATIVE FUND AUTHORITY IN  
14 THE DEPARTMENT.

15 **6-606.**

16       ~~THE AUTHORITY CONSISTS OF THOSE MEMBERS APPOINTED TO THE~~  
17 ~~MARYLAND VENTURE FUND AUTHORITY ESTABLISHED UNDER SUBTITLE 5 OF~~  
18 ~~THIS TITLE.~~

19       THE AUTHORITY CONSISTS OF:

20           (1) THE EXECUTIVE DIRECTOR OF THE MARYLAND TECHNOLOGY  
21 DEVELOPMENT CORPORATION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

22           (2) THE EXECUTIVE VICE PRESIDENT OF THE MARYLAND  
23 TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE VICE  
24 PRESIDENT'S DESIGNEE;

25           (3) THE SECRETARY OF BUSINESS AND ECONOMIC  
26 DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

27           (4) THE MANAGING DIRECTOR OF THE MARYLAND VENTURE  
28 FUND, OR THE MANAGING DIRECTOR'S DESIGNEE;

29           (5) THE CHANCELLOR OF THE UNIVERSITY SYSTEM OF  
30 MARYLAND, OR THE CHANCELLOR'S DESIGNEE; AND



1           **(6) TWO INDIVIDUALS FROM THE PRIVATE SECTOR NOT**  
2 **AFFILIATED WITH HIGHER EDUCATION APPOINTED BY THE PRESIDENT OF THE**  
3 **SENATE AND THE SPEAKER OF THE HOUSE TO THE MARYLAND INNOVATION**  
4 **INITIATIVE UNDER § 10-455 OF THIS ARTICLE.**

5 **6-607.**

6           **(A) THE CHAIR OF THE ~~MARYLAND VENTURE FUND~~ AUTHORITY SHALL**  
7 **~~SERVE AS THE CHAIR~~ BE CHOSEN BY THE MEMBERS OF THE AUTHORITY.**

8           **(B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF**  
9 **OFFICERS AND THEIR TERMS OF OFFICE.**

10 **6-608.**

11           **(A) (1) ~~FIVE~~ FOUR MEMBERS OF THE AUTHORITY ARE A QUORUM.**

12                   **(2) AN ACT OF THE AUTHORITY SHALL BE APPROVED BY A**  
13 **MAJORITY VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM**  
14 **IS PRESENT.**

15           **(B) A MEMBER OF THE AUTHORITY:**

16                   **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**  
17 **AUTHORITY; BUT**

18                   **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**  
19 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE**  
20 **BUDGET.**

21 **6-609.**

22           **THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE**  
23 **DEPARTMENT IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM**  
24 **UNDER THIS SUBTITLE.**

25 **6-610. RESERVED.**

26 **6-611. RESERVED.**

27 **~~PART III. DESIGNATED CAPITAL.~~**

28 **~~6-612.~~**

1 ~~(A) ALL DESIGNATED CAPITAL FROM PURCHASERS SHALL BE~~  
2 ~~DEPOSITED INTO THE FUND TO BE INVESTED AS PROVIDED IN THIS SUBTITLE.~~

3 ~~(B) AS SOON AS PRACTICABLE AFTER THE DEPARTMENT RECEIVES~~  
4 ~~EACH INSTALLMENT OF DESIGNATED CAPITAL AND A NONPROFIT INSTITUTION~~  
5 ~~OF HIGHER EDUCATION RECEIVES AN EQUIVALENT AMOUNT IN QUALIFIED~~  
6 ~~DONATIONS, THE DEPARTMENT AND EACH INSTITUTION THAT HAS BEEN~~  
7 ~~ALLOCATED FUNDING FROM THE FUND SHALL ENTER INTO A MEMORANDUM OF~~  
8 ~~UNDERSTANDING UNDER WHICH THE ALLOCATED AMOUNT OF FUNDING WILL~~  
9 ~~BE TRANSFERRED BY THE DEPARTMENT TO THE INSTITUTION FOR USE AS~~  
10 ~~PROVIDED IN THIS SUBTITLE.~~

11 ~~(C) THE DEPARTMENT SHALL SECURE THE COMMITMENT OF THE~~  
12 ~~PURCHASERS IN ACCORDANCE WITH § 6-613 OF THIS SUBTITLE.~~

13 ~~6-613.~~

14 ~~(A) THE AUTHORITY SHALL OBTAIN THE SERVICES OF AN~~  
15 ~~INDEPENDENT THIRD PARTY TO CONDUCT A BIDDING PROCESS IN ORDER TO~~  
16 ~~SECURE PURCHASERS FOR THE PROGRAM AS PROVIDED IN THIS SECTION.~~

17 ~~(B) USING THE PROCEDURES ADOPTED BY THE INDEPENDENT THIRD~~  
18 ~~PARTY, EACH POTENTIAL PURCHASER SHALL MAKE A TIMELY AND~~  
19 ~~IRREVOCABLE OFFER, SUBJECT ONLY TO THE DEPARTMENT'S ISSUANCE TO~~  
20 ~~THE PURCHASER OF TAX CREDIT CERTIFICATES, TO MAKE SPECIFIED~~  
21 ~~CONTRIBUTIONS OF DESIGNATED CAPITAL TO THE DEPARTMENT ON THE DATES~~  
22 ~~SPECIFIED IN § 6-614(A) OF THIS SUBTITLE.~~

23 ~~(C) THE OFFER SHALL INCLUDE:~~

24 ~~(1) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MAY NOT~~  
25 ~~BE LESS THAN \$5,000,000;~~

26 ~~(2) THE POTENTIAL PURCHASER'S SPECIFIED CONTRIBUTION~~  
27 ~~FOR EACH TAX CREDIT DOLLAR REQUESTED, WHICH MAY NOT BE LESS THAN~~  
28 ~~THE GREATER OF:~~

29 ~~(i) 70% OF THE REQUESTED DOLLAR AMOUNT OF TAX~~  
30 ~~CREDITS; OR~~

31 ~~(ii) THE PERCENTAGE OF THE REQUESTED DOLLAR~~  
32 ~~AMOUNT OF TAX CREDITS THAT THE SECRETARY, ON THE RECOMMENDATION~~  
33 ~~OF THE INDEPENDENT THIRD PARTY, DETERMINES TO BE CONSISTENT WITH~~  
34 ~~MARKET CONDITIONS AS OF THE OFFER DATE; AND~~

1           ~~(3) ANY OTHER INFORMATION THE INDEPENDENT THIRD PARTY~~  
2 ~~REQUIRES.~~

3           ~~(D) THE MAXIMUM AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED~~  
4 ~~UNDER THIS SUBTITLE FOR ALL YEARS IN WHICH TAX CREDITS ARE ALLOCATED~~  
5 ~~IS:~~

6           ~~(1) \$25,000,000 FOR CALENDAR YEAR 2014; AND~~

7           ~~(2) \$25,000,000 FOR CALENDAR YEAR 2016.~~

8           ~~(E) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
9 ~~CALENDAR YEAR 2014:~~

10           ~~(1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX~~  
11 ~~CREDITS IS FEBRUARY 1, 2015; AND~~

12           ~~(2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN~~  
13 ~~NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2015, INDICATING~~  
14 ~~WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE~~  
15 ~~AMOUNT OF TAX CREDITS ALLOCATED.~~

16           ~~(F) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
17 ~~CALENDAR YEAR 2016:~~

18           ~~(1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX~~  
19 ~~CREDITS IS FEBRUARY 1, 2017; AND~~

20           ~~(2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN~~  
21 ~~NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2017, INDICATING~~  
22 ~~WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE~~  
23 ~~AMOUNT OF TAX CREDITS ALLOCATED.~~

24 ~~6-614.~~

25           ~~(A) (1) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
26 ~~CALENDAR YEAR 2014, DESIGNATED CAPITAL COMMITTED BY A PURCHASER~~  
27 ~~SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY~~  
28 ~~INSTALLMENTS DUE ON JUNE 1 OF 2015, 2016, AND 2017.~~

29           ~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
30 ~~CALENDAR YEAR 2016, DESIGNATED CAPITAL COMMITTED BY A PURCHASER~~

1 ~~SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY~~  
2 ~~INSTALLMENTS DUE ON JUNE 1 OF 2017, 2018, AND 2019.~~

3 ~~(B) ON RECEIPT OF EACH INSTALLMENT OF DESIGNATED CAPITAL, THE~~  
4 ~~DEPARTMENT SHALL ISSUE TO EACH PURCHASER A TAX CREDIT CERTIFICATE~~  
5 ~~REPRESENTING A FULLY VESTED CREDIT AGAINST INSURANCE PREMIUM TAX~~  
6 ~~LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EQUAL TO~~  
7 ~~ONE THIRD OF THE TOTAL TAX CREDITS ALLOCATED TO THE PURCHASER.~~

8 ~~(C) THE DEPARTMENT SHALL ISSUE TAX CREDIT CERTIFICATES TO~~  
9 ~~PURCHASERS IN ACCORDANCE WITH THE BIDDING PROCESS SELECTED BY THE~~  
10 ~~INDEPENDENT THIRD PARTY ON BEHALF OF THE AUTHORITY UNDER § 6-613 OF~~  
11 ~~THIS SUBTITLE.~~

12 ~~(D) THE TAX CREDIT CERTIFICATE SHALL STATE:~~

13 ~~(1) THE TOTAL AMOUNT OF TAX CREDITS THAT THE PURCHASER~~  
14 ~~MAY CLAIM;~~

15 ~~(2) THE AMOUNT OF DESIGNATED CAPITAL THAT THE~~  
16 ~~PURCHASER HAS CONTRIBUTED IN RETURN FOR THE ISSUANCE OF THE TAX~~  
17 ~~CREDIT CERTIFICATE;~~

18 ~~(3) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE~~  
19 ~~FOR USE BY THE PURCHASER;~~

20 ~~(4) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;~~

21 ~~(5) THE PROCEDURES TO BE USED FOR TRANSFERRING THE TAX~~  
22 ~~CREDITS; AND~~

23 ~~(6) ANY OTHER REQUIREMENTS THE DEPARTMENT CONSIDERS~~  
24 ~~NECESSARY.~~

25 ~~(E) (1) A TAX CREDIT CERTIFICATE MAY NOT BE ISSUED TO ANY~~  
26 ~~PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL~~  
27 ~~WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES.~~

28 ~~(2) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF~~  
29 ~~DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES~~  
30 ~~SHALL BE SUBJECT TO A PENALTY EQUAL TO 10% OF THE AMOUNT OF~~  
31 ~~DESIGNATED CAPITAL THAT REMAINS UNPAID, PAYABLE TO THE DEPARTMENT~~  
32 ~~WITHIN 30 DAYS AFTER DEMAND BY THE DEPARTMENT.~~

1           ~~(3) THE DEPARTMENT MAY OFFER TO REALLOCATE THE~~  
2 ~~DEFAULTED DESIGNATED CAPITAL AMONG THE OTHER PURCHASERS, SO THAT~~  
3 ~~THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL~~  
4 ~~ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT~~  
5 ~~ALLOCATION TO THE DEFAULTING PURCHASER.~~

6           ~~(4) IF THE REALLOCATION OF DESIGNATED CAPITAL RESULTS IN~~  
7 ~~THE CONTRIBUTION BY ANOTHER PURCHASER OR PURCHASERS OF THE~~  
8 ~~AMOUNT OF DESIGNATED CAPITAL NOT CONTRIBUTED BY THE DEFAULTING~~  
9 ~~PURCHASER, THEN THE DEPARTMENT MAY WAIVE THE PENALTY PROVIDED~~  
10 ~~UNDER THIS SUBSECTION.~~

11           ~~(5) (i) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION~~  
12 ~~OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD SPECIFIED MAY AVOID THE~~  
13 ~~IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX~~  
14 ~~CREDITS TO A NEW OR EXISTING PURCHASER WITHIN 30 DAYS AFTER THE DUE~~  
15 ~~DATE OF THE DEFAULTED INSTALLMENT.~~

16           ~~(ii) ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS~~  
17 ~~FROM A DEFAULTING PURCHASER UNDER THIS SECTION SHALL AGREE TO MAKE~~  
18 ~~THE REQUIRED CONTRIBUTION OF DESIGNATED CAPITAL WITHIN 30 DAYS~~  
19 ~~AFTER THE DATE OF THE TRANSFER.~~

20           ~~(6) (i) THE DEPARTMENT IN ITS SOLE DISCRETION MAY~~  
21 ~~PURCHASE INSURANCE OR MAKE OTHER FINANCIAL ARRANGEMENTS IN ORDER~~  
22 ~~TO ENSURE THE AVAILABILITY OF THE FULL AMOUNT OF DESIGNATED CAPITAL~~  
23 ~~COMMITTED BY PURCHASERS.~~

24           ~~(ii) THE DEPARTMENT SHALL DISCLOSE ANY PURCHASE OF~~  
25 ~~INSURANCE OR OTHER SIMILAR FINANCIAL ARRANGEMENT UNDER THIS~~  
26 ~~PARAGRAPH IN THE ANNUAL REPORT REQUIRED UNDER § 6-631 OF THIS~~  
27 ~~SUBTITLE.~~

28 ~~6-615.~~

29           ~~(A) (1) SUBJECT TO THE RESTRICTION IN PARAGRAPH (2) OF THIS~~  
30 ~~SUBSECTION, A PURCHASER MAY CLAIM THE TAX CREDIT ON A TAX RETURN~~  
31 ~~FILED AFTER DECEMBER 31, 2017, FOR A TAXABLE YEAR THAT BEGINS ON OR~~  
32 ~~AFTER JANUARY 1, 2017.~~

33           ~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
34 ~~CALENDAR YEAR 2014, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX~~  
35 ~~CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2018~~  
36 ~~THROUGH 2022.~~

1 ~~(3) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
2 ~~CALENDAR YEAR 2016, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX~~  
3 ~~CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2020~~  
4 ~~THROUGH 2024.~~

5 ~~(B) (1) THE CREDIT TO BE APPLIED AGAINST INSURANCE PREMIUM~~  
6 ~~TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY IN ANY~~  
7 ~~TAXABLE YEAR MAY NOT EXCEED THE TAX LIABILITY OF THE PURCHASER FOR~~  
8 ~~THAT TAXABLE YEAR.~~

9 ~~(2) ANY UNUSED CREDIT AGAINST TAX LIABILITY MAY BE:~~

10 ~~(I) CARRIED FORWARD INDEFINITELY UNTIL THE TAX~~  
11 ~~CREDITS ARE USED; AND~~

12 ~~(II) 1. FOR TAX CREDITS ALLOCATED UNDER THIS~~  
13 ~~SUBTITLE FOR CALENDAR YEAR 2014, USED BY THE PURCHASER WITHOUT~~  
14 ~~RESTRICTION DURING ANY CALENDAR YEAR AFTER 2022; OR~~

15 ~~2. FOR TAX CREDITS ALLOCATED UNDER THIS~~  
16 ~~SUBTITLE FOR CALENDAR YEAR 2016, USED BY THE PURCHASER WITHOUT~~  
17 ~~RESTRICTION DURING ANY CALENDAR YEAR AFTER 2024.~~

18 ~~(3) ON 30 DAYS' ADVANCE NOTICE TO THE DEPARTMENT, TAX~~  
19 ~~CREDITS ALLOCATED TO A PURCHASER UNDER THIS SUBTITLE MAY BE~~  
20 ~~TRANSFERRED WITHOUT FURTHER RESTRICTION TO ANY OTHER ENTITY THAT:~~

21 ~~(I) MEETS THE DEFINITION OF A PURCHASER;~~

22 ~~(II) IS IN GOOD STANDING WITH THE MARYLAND~~  
23 ~~INSURANCE ADMINISTRATION, IF THE PURCHASER IS AN INSURANCE COMPANY~~  
24 ~~OR HOLDING COMPANY; AND~~

25 ~~(III) AGREES TO ASSUME ALL OF THE TRANSFEROR'S~~  
26 ~~OBLIGATIONS UNDER THE PROGRAM.~~

27 ~~(C) A PURCHASER CLAIMING A CREDIT AGAINST INSURANCE PREMIUM~~  
28 ~~TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EARNED~~  
29 ~~THROUGH AN INVESTMENT UNDER THE PROGRAM IS NOT REQUIRED TO PAY~~  
30 ~~ANY ADDITIONAL TAX AS A RESULT OF CLAIMING THE CREDIT.~~

31 ~~(D) A PURCHASER IS NOT REQUIRED TO REDUCE THE AMOUNT OF~~  
32 ~~PREMIUM TAX INCLUDED BY THE PURCHASER IN CONNECTION WITH~~

1 ~~RATE MAKING FOR ANY INSURANCE CONTRACT WRITTEN IN THE STATE~~  
2 ~~BECAUSE OF A REDUCTION IN THE PURCHASER'S INSURANCE PREMIUM TAX~~  
3 ~~DERIVED FROM THE CREDIT GRANTED UNDER THIS SUBTITLE.~~

4 ~~6-616. RESERVED.~~

5 ~~6-617. RESERVED.~~

6 PART ~~IV~~ III. RESEARCH ENDOWMENTS.

7 ~~6-618.~~ 6-612.

8 (A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF  
9 HIGHER EDUCATION MAY CREATE AND ADMINISTER ONE OR MORE RESEARCH  
10 ENDOWMENTS TO RECEIVE FUNDING FROM THE FUND.

11 (B) A RESEARCH ENDOWMENT CONSISTS OF FUNDS DISTRIBUTED BY  
12 THE AUTHORITY FROM THE FUND IN ACCORDANCE WITH ~~§ 6-624~~ § 6-618 OF  
13 THIS SUBTITLE AND QUALIFIED DONATIONS.

14 (C) (1) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF  
15 HIGHER EDUCATION MAY INVEST FUNDS DEPOSITED INTO THE RESEARCH  
16 ENDOWMENT IN A MANNER CONSISTENT WITH OTHER INSTITUTIONAL  
17 ENDOWMENTS MANAGED BY THE INSTITUTION.

18 (2) ANY INTEREST OR OTHER INVESTMENT EARNINGS ON THE  
19 FUNDS INVESTED ARE RETAINED BY THE NONPROFIT INSTITUTION OF HIGHER  
20 EDUCATION TO BE USED FOR THE PURPOSES SET FORTH IN THIS SUBTITLE.

21 (D) INVESTMENT EARNINGS ACCRUING TO THE RESEARCH ENDOWMENT  
22 OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY BE EXPENDED BY  
23 THE GOVERNING BODY OF THE INSTITUTION ~~IF THE INVESTMENT EARNINGS~~  
24 ~~ARE EXPENDED~~ ONLY FOR THE ELIGIBLE USES ~~DESIGNATED~~ UNDER § 6-614 OF  
25 THIS SUBTITLE.

26 (E) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER  
27 EDUCATION IS EXEMPT FROM LIABILITY FOR ANY LOSS OR DECREASE IN VALUE  
28 OF THE ASSETS OR INCOME OF A RESEARCH ENDOWMENT, UNLESS THE LOSSES  
29 OR DECREASES IN VALUE RESULT FROM BAD FAITH, GROSS NEGLIGENCE, OR  
30 INTENTIONAL MISCONDUCT.

31 (F) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER  
32 EDUCATION SHALL ISSUE RULES FOR THE ADMINISTRATION OF RESEARCH

1 ENDOWMENTS THAT FULFILL THE PURPOSES AND REQUIREMENTS OF THIS  
2 SUBTITLE.

3 ~~6-619.~~ 6-613.

4 (A) PRIVATE DONATIONS TO A RESEARCH ENDOWMENT SHALL BE  
5 CONSIDERED A QUALIFIED DONATION IF:

6 (1) THE DONATION OR PLEDGE IS EXPRESSLY OR SPECIFICALLY  
7 RESTRICTED BY THE DONOR FOR ONE OR MORE OF THE ELIGIBLE USES UNDER §  
8 ~~6-620~~ 6-614 OF THIS SUBTITLE;

9 (2) THE INDIVIDUAL DONATION OR PLEDGE IS A MINIMUM OF  
10 \$500,000 OR IS BUNDLED WITH OTHER QUALIFIED DONATIONS TO MEET THE  
11 \$500,000 THRESHOLD; AND

12 (3) THE NONPROFIT INSTITUTION OF HIGHER EDUCATION  
13 ACCEPTS THE DONATION FROM INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS,  
14 PUBLIC OR PRIVATE FOR-PROFIT AND NONPROFIT CORPORATIONS, OR  
15 NONGOVERNMENTAL FOUNDATIONS.

16 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A  
17 NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY DESIGNATE  
18 UNRESTRICTED GIFTS OR BEQUESTS, OR A PORTION OF AN UNRESTRICTED GIFT  
19 OR BEQUEST, FOR USE AS A QUALIFIED DONATION.

20 (C) A QUALIFIED DONATION EXCLUDES:

21 (1) ANY DONATION RECEIVED BY A NONPROFIT INSTITUTION OF  
22 HIGHER EDUCATION PRIOR TO OCTOBER 1, 2014;

23 (2) EDUCATIONAL OR GENERAL FEES, AUXILIARY FEES, OR  
24 OTHER STUDENT FEES GENERATED BY THE INSTITUTION;

25 (3) PROCEEDS FROM PROMISSORY NOTES, BONDS, LOANS, OR  
26 OTHER INSTRUMENTS EVIDENCING AN INDEBTEDNESS OR ANY OTHER  
27 OBLIGATION OF REPAYMENT BY THE GOVERNING BODY OF A NONPROFIT  
28 INSTITUTION OF HIGHER EDUCATION TO THE MAKER OF THE INSTRUMENT; OR

29 (4) ANY OTHER FUNDS RECEIVED FROM THE STATE OR FEDERAL  
30 GOVERNMENT.

31 (D) (1) THE PRESIDENT OF EACH NONPROFIT INSTITUTION OF  
32 HIGHER EDUCATION OR THE PRESIDENT'S DESIGNEE SHALL MAKE THE INITIAL



1 DETERMINATION OF WHETHER A DONATION CONSTITUTES A QUALIFIED  
2 DONATION.

3 (2) THE PRESIDENT OF THE NONPROFIT INSTITUTION OF HIGHER  
4 EDUCATION SHALL PROVIDE A REPORT TO THE GOVERNING BODY OF THE  
5 INSTITUTION AT LEAST ONCE EACH FISCAL YEAR REGARDING THE AMOUNT OF  
6 QUALIFIED DONATIONS THE INSTITUTION HAS RECEIVED.

7 ~~6-620.~~ 6-614.

8 (A) ENDOWMENT PROCEEDS SHALL BE EXPENDED BY A NONPROFIT  
9 INSTITUTION OF HIGHER EDUCATION TO FURTHER BASIC AND APPLIED  
10 RESEARCH IN SCIENTIFIC ~~AREAS~~ AND TECHNICAL FIELDS OF STUDY AS  
11 DESIGNATED BY THE AUTHORITY THAT OFFER PROMISING AND SIGNIFICANT  
12 ECONOMIC IMPACTS AND THE OPPORTUNITY TO DEVELOP CLUSTERS OF  
13 TECHNOLOGICAL INNOVATION IN THE STATE, INCLUDING:

14 (1) ~~CYBER TECHNOLOGY;~~

15 (2) ~~ENERGY AND ENVIRONMENTAL SCIENCES;~~

16 (3) ~~NANOTECHNOLOGY AND MATERIALS SCIENCE;~~

17 (4) ~~ADVANCED MEDICAL AND PUBLIC HEALTH SCIENCE;~~

18 (5) ~~QUANTUM COMPUTING AND QUANTUM ENGINEERING;~~

19 (6) ~~TRANSPORTATION TECHNOLOGY, LOGISTICS, AND~~  
20 ~~AUTONOMOUS SYSTEMS INTEGRATION;~~

21 (7) ~~SPACE AND AEROSPACE SCIENCES;~~

22 (8) ~~BIOMETRICS, SECURITY, SENSING, AND RELATED~~  
23 ~~IDENTIFICATION TECHNOLOGIES;~~

24 (9) ~~GERONTOLOGY;~~

25 (10) ~~NEUROSCIENCES; OR~~

26 (11) ~~LANGUAGE SCIENCES.~~

27 (1) PHYSICAL SCIENCES;

28 (2) LIFE AND NEURO SCIENCES;

- 1           **(3) ENGINEERING;**
- 2           **(4) MATHEMATICAL AND COMPUTATIONAL SCIENCES;**
- 3           **(5) REGULATORY SCIENCE;**
- 4           **(6) AUTONOMOUS SYSTEMS;**
- 5           **(7) AERONAUTICAL AND SPACE SCIENCE;**
- 6           **(8) ENVIRONMENTAL SCIENCES;**
- 7           **(9) BEHAVIORAL AND LANGUAGE SCIENCE;**
- 8           **(10) HEALTH SCIENCES;**
- 9           **(11) AGRICULTURE; OR**
- 10           **(12) CYBERSECURITY.**

11           **(B) ENDOWMENT PROCEEDS MAY BE EXPENDED BY A NONPROFIT**  
12 **INSTITUTION OF HIGHER EDUCATION FOR:**

13           **(1) THE PAYMENT OF THE BASE SALARIES OF NEWLY ENDOWED**  
14 **DEPARTMENT CHAIRS, NEW PROFESSORSHIP POSITIONS, NEW RESEARCH**  
15 **SCIENTISTS, OR NEW RESEARCH STAFF POSITIONS, INCLUDING RESEARCH**  
16 **TECHNICIANS AND SUPPORT PERSONNEL, AND TO FUND AFFILIATED GRADUATE**  
17 **OR UNDERGRADUATE STUDENT RESEARCH FELLOWSHIPS, IF THE POSITIONS OR**  
18 **FELLOWSHIPS ARE ENGAGED IN THE AREAS OF RESEARCH IDENTIFIED IN**  
19 **SUBSECTION (A) OF THIS SECTION; OR**

20           **(2) THE PURCHASE OF BASIC INFRASTRUCTURE, INCLUDING**  
21 **LABORATORY AND SCIENTIFIC EQUIPMENT OR OTHER ESSENTIAL EQUIPMENT**  
22 **AND MATERIALS, RELATED TO AN AREA OF RESEARCH IDENTIFIED IN**  
23 **SUBSECTION (A) OF THIS SECTION.**

24           **(C) AN INDIVIDUAL IN A POSITION THAT IS FUNDED BY ENDOWMENT**  
25 **PROCEEDS UNDER SUBSECTION (B)(1) OF THIS SECTION SHALL:**

26           **(1) WORK AT LEAST ONE DAY EACH WEEK IN SUPPORT OF A**  
27 **FEDERAL LABORATORY OR ASSOCIATED FEDERAL LABORATORY RESEARCH**  
28 **SUPPORT ORGANIZATION; ~~OR~~**



1 FUNDS REQUESTED FOR DISTRIBUTION AND SHALL SUBMIT A REQUEST TO THE  
2 AUTHORITY.

3 (C) THE REQUEST SHALL INCLUDE:

4 (1) THE AMOUNT REQUESTED FOR DISTRIBUTION TO THE  
5 NONPROFIT INSTITUTION OF HIGHER EDUCATION IN ACCORDANCE WITH  
6 SUBSECTION (A) OF THIS SECTION;

7 (2) THE AMOUNT OF QUALIFIED DONATIONS DESIGNATED FOR  
8 USE IN REQUESTING THE DISTRIBUTION OF MATCHING FUNDS FROM THE FUND;

9 (3) AN EXPLANATION OF HOW THE PROPOSED USE SATISFIES THE  
10 CRITERIA FOR ELIGIBLE USES OF ENDOWMENT PROCEEDS UNDER ~~§ 6-620~~  
11 § 6-614 OF THIS SUBTITLE;

12 (4) AN EXPLANATION OF HOW THE PROPOSED USE OF THE  
13 ENDOWMENT PROCEEDS FURTHERS THE PURPOSES OF THIS SUBTITLE AND  
14 ADDRESSES THE RESEARCH NEEDS OF THE INSTITUTION AS IDENTIFIED IN THE  
15 RESEARCH PLAN; AND

16 (5) A DESIGNATION OF THE APPLICABLE RESEARCH ENDOWMENT  
17 INTO WHICH THE REQUESTED MATCHING FUNDS ARE TO BE DEPOSITED.

18 (D) THE AUTHORITY SHALL REVIEW EACH REQUEST FOR DISTRIBUTION  
19 OF MATCHING FUNDS FROM THE FUND FOR COMPLIANCE WITH THE  
20 PROVISIONS OF THIS SUBTITLE AND DEPARTMENT REGULATIONS.

21 (E) IF THE AUTHORITY APPROVES THE REQUEST OF A NONPROFIT  
22 INSTITUTION OF HIGHER EDUCATION, THE AUTHORITY SHALL DISTRIBUTE  
23 MATCHING FUNDS TO THE APPLICABLE RESEARCH ENDOWMENT IN AN AMOUNT  
24 EQUAL TO THE AMOUNT OF QUALIFIED DONATIONS.

25 ~~6-625.~~ 6-619.

26 (A) ~~EACH WITHIN 90 DAYS AFTER APPROVAL BY THE AUTHORITY OF A~~  
27 ~~REQUEST FOR MATCHING FUNDS UNDER § 6-618 OF THIS SUBTITLE, EACH~~  
28 ~~NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL DEPOSIT BY JULY 1,~~  
29 ~~2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR~~  
30 ~~YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED UNDER THIS~~  
31 ~~SUBTITLE FOR CALENDAR YEAR 2016~~ AN AMOUNT OF QUALIFIED DONATIONS  
32 EQUAL TO OR GREATER THAN THE TOTAL AMOUNT OF FUNDS ALLOCATED FOR  
33 DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN  
34 ACCORDANCE WITH ~~§ 6-624~~ § 6-618 OF THIS SUBTITLE.

1 (B) IF A NONPROFIT INSTITUTION OF HIGHER EDUCATION FAILS TO  
2 HAVE DEPOSITED INTO ITS RESEARCH ENDOWMENTS THE REQUIRED AMOUNT  
3 OF QUALIFIED DONATIONS ~~BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED~~  
4 ~~UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX~~  
5 ~~CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016 AS~~  
6 REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, ANY PORTION OF THE  
7 FUNDS ALLOCATED TO THE INSTITUTION THAT HAS NOT BEEN DISTRIBUTED  
8 SHALL BE REALLOCATED TO ANOTHER NONPROFIT INSTITUTION OF HIGHER  
9 EDUCATION IN ACCORDANCE WITH THIS SUBTITLE.

10 (C) IF THE AUTHORITY FAILS TO ALLOCATE THE FUNDS IN THE FUND  
11 ~~DERIVED FROM THE PURCHASES OF TAX CREDITS ALLOCATED~~ UNDER THIS  
12 SUBTITLE ~~FOR CALENDAR YEARS 2014 OR 2016 BY JULY 1, 2018, OR JULY 1,~~  
13 ~~2020, RESPECTIVELY~~, AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION  
14 HAS PREVIOUSLY RECEIVED 25% OF ~~THE FUNDS IN THE FUND~~ CUMULATIVE  
15 PROGRAM FUNDS FROM THE FUND, THE AUTHORITY MAY DISTRIBUTE  
16 ADDITIONAL FUNDS TO THE NONPROFIT INSTITUTION IN ACCORDANCE WITH  
17 THIS SUBTITLE.

18 ~~6-626.~~ 6-620. RESERVED.

19 ~~6-627.~~ 6-621. RESERVED.

20 PART ~~VI.~~ V. MISCELLANEOUS.

21 ~~6-628.~~

22 (A) ~~IN ANY CASE UNDER THE INSURANCE LAW OF THE STATE IN WHICH~~  
23 ~~THE ASSETS OF A PURCHASER ARE EXAMINED OR CONSIDERED, THE~~  
24 ~~DESIGNATED CAPITAL SHALL BE TREATED AS AN ADMITTED ASSET, SUBJECT TO~~  
25 ~~THE SAME FINANCIAL RATING AS THAT HELD BY THE STATE.~~

26 (B) ~~THE DEPARTMENT SHALL SUBMIT THE FOLLOWING TO THE~~  
27 ~~MARYLAND INSURANCE ADMINISTRATION:~~

28 (1) ~~THE NAMES, ADDRESSES, AND AMOUNT OF DESIGNATED~~  
29 ~~CAPITAL TO BE CONTRIBUTED AND PREMIUM TAX CREDITS EARNED BY EACH~~  
30 ~~SUCCESSFUL BIDDER WITHIN 30 DAYS AFTER THE CLOSE OF THE BIDDING~~  
31 ~~PROCESS UNDER § 6-613 OF THIS SUBTITLE;~~

32 (2) ~~A COPY OF THE TAX CREDIT CERTIFICATE ISSUED TO EACH~~  
33 ~~PURCHASER WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CERTIFICATE~~  
34 ~~UNDER § 6-614 OF THIS SUBTITLE;~~

1           ~~(3) THE OCCURRENCE OF A DEFAULT BY A PURCHASER; AND~~

2           ~~(4) THE TRANSFER OF PREMIUM TAX CREDITS BY A PURCHASER.~~

3   ~~6-629.~~

4           ~~(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,~~  
 5 ~~DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE DOES NOT~~  
 6 ~~APPLY TO A SERVICE THAT THE DEPARTMENT OBTAINS THAT IS RELATED TO~~  
 7 ~~THE INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF AN ASSET~~  
 8 ~~OF THE DEPARTMENT IN A TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

9           ~~(B) THE DEPARTMENT IS SUBJECT TO TITLE 12, SUBTITLE 4 OF THE~~  
 10 ~~STATE FINANCE AND PROCUREMENT ARTICLE FOR SERVICES RELATED TO THE~~  
 11 ~~INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF ASSETS OF THE~~  
 12 ~~DEPARTMENT IN ANY TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

13           ~~(C) SECTION 10-305 OF THE STATE FINANCE AND PROCUREMENT~~  
 14 ~~ARTICLE DOES NOT APPLY TO THE SALE, LEASE, TRANSFER, EXCHANGE, OR~~  
 15 ~~OTHER DISPOSITION OF REAL OR PERSONAL PROPERTY, INCLUDING A SHARE~~  
 16 ~~OF STOCK IN A BUSINESS ENTITY, THAT THE DEPARTMENT ACQUIRES IN A~~  
 17 ~~TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.~~

18   ~~6-630. 6-622.~~

19           THE DEPARTMENT SHALL ADMINISTER THIS SUBTITLE AND SHALL ADOPT  
 20 REGULATIONS TO CARRY OUT THIS SUBTITLE.

21   ~~6-631. 6-623.~~

22           (A) (1) ON OR BEFORE JANUARY 1, 2016, AND JANUARY 1 OF EACH  
 23 SUBSEQUENT YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE  
 24 IMPLEMENTATION OF THE PROGRAM TO THE GOVERNOR AND, IN ACCORDANCE  
 25 WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET  
 26 AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE.

27           (2) THE DEPARTMENT SHALL PUBLISH THE REPORT ON THE  
 28 DEPARTMENT'S WEB SITE IN A PUBLICLY AVAILABLE FORMAT.

29           (3) THE REPORT PUBLISHED ON THE WEB SITE MAY NOT  
 30 INCLUDE ANY PROPRIETARY OR CONFIDENTIAL INFORMATION.

31           (B) THE REPORT SHALL INCLUDE:

1           ~~(1) WITH RESPECT TO EACH PURCHASER OF TAX CREDITS UNDER~~  
2 ~~THE PROGRAM;~~

3           ~~(I) THE NAME OF THE PURCHASER OF THE TAX CREDITS;~~

4           ~~(II) THE AMOUNT OF TAX CREDITS ALLOCATED TO THE~~  
5 ~~PURCHASER;~~

6           ~~(III) THE AMOUNT OF DESIGNATED CAPITAL THE~~  
7 ~~PURCHASER CONTRIBUTED FOR THE ISSUANCE OF THE TAX CREDIT~~  
8 ~~CERTIFICATE; AND~~

9           ~~(IV) THE AMOUNT OF ANY TAX CREDITS THAT HAVE BEEN~~  
10 ~~TRANSFERRED UNDER § 6-615 OF THIS SUBTITLE; AND~~

11           ~~(2),~~ WITH RESPECT TO EACH NONPROFIT INSTITUTION OF HIGHER  
12 EDUCATION THAT HAS RECEIVED AN ALLOCATION OF FUNDS FROM THE FUND:

13           ~~(I)~~ (1) THE NAME AND ADDRESS OF THE INSTITUTION;

14           ~~(II)~~ (2) THE NAMES OF THE INDIVIDUALS MAKING  
15 DECISIONS ON BEHALF OF THE INSTITUTION REGARDING EXPENDITURE OF THE  
16 FUNDS ALLOCATED;

17           ~~(III)~~ (3) THE AMOUNT OF FUNDS RECEIVED DURING THE  
18 PREVIOUS FISCAL YEAR;

19           ~~(IV)~~ (4) THE CUMULATIVE AMOUNT OF FUNDS RECEIVED;  
20 AND

21           ~~(V)~~ (5) THE AMOUNT OF FUNDS REMAINING UNSPENT AT  
22 THE END OF THE PREVIOUS FISCAL YEAR.

23           ~~Article - Insurance~~

24           ~~6-122.~~

25           ~~An insurer may claim a tax credit for an investment of designated capital as~~  
26 ~~provided under Title 6, Subtitle 5 OR 6 of the Economic Development Article.~~

27           Article - State Finance and Procurement

28           6-226.

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

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

9 76. the Baltimore City Public School Construction  
10 Financing Fund; [and]

11 77. the Spay/Neuter Fund; AND

12 78. THE MARYLAND E-NOVATION INITIATIVE  
13 FUND.

14 Article – Tax – General

15 2–202.

16 (a) After making the distribution required under § 2–201 of this subtitle,  
17 within 20 days after the end of each quarter, the Comptroller shall distribute:

18 (1) except as provided in subsection (b) of this section, from the  
19 revenue from the State admissions and amusement tax on electronic bingo and  
20 electronic tip jars under § 4–102(e) of this article:

21 (i) **1. FOR FISCAL YEARS 2016 THROUGH 2021, the**  
22 **revenue attributable to a tax rate of 20% to the [General Fund of the State]**  
23 **MARYLAND E-NOVATION INITIATIVE FUND UNDER § 6-604 OF THE**  
24 **ECONOMIC DEVELOPMENT ARTICLE;**

25 **2. IN FISCAL YEAR 2022 AND IN EACH FISCAL YEAR**  
26 **THEREAFTER, THE REVENUE ATTRIBUTABLE TO A TAX RATE OF 20% TO THE**  
27 **GENERAL FUND OF THE STATE; and**

28 (ii) the revenue attributable to a tax rate of 5% to the Special  
29 Fund for Preservation of Cultural Arts in Maryland, as provided in § 4–801 of the  
30 Economic Development Article; and

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 July 1, 2014.