

# SENATE BILL 601

C8, Q7, F2

4r0861  
CF HB 741

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By: **Senators Miller, Astle, Benson, Brinkley, Colburn, Conway, Currie, DeGrange, Dyson, Edwards, Feldman, Ferguson, Forehand, Frosh, Getty, Gladden, Glassman, Jones–Rodwell, Kasemeyer, King, Kittleman, Klausmeier, Madaleno, Manno, Mathias, McFadden, Middleton, Montgomery, Peters, Pugh, Ramirez, Raskin, Robey, Rosapepe, Stone, Young, and Zirkin**

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 9, 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; providing for the investment of money in and  
9 expenditures from the Fund; providing for the membership and duties of the  
10 Authority; allowing certain persons to purchase credits against the insurance  
11 premium tax or Maryland corporate income tax in order to fund certain  
12 research at certain institutions of higher education; providing for the duties of  
13 the Department in connection with the Program; requiring the Authority to  
14 obtain the services of an independent third party to conduct a bidding process  
15 for the purchase of certain tax credits for certain purposes; establishing certain  
16 requirements for certain offers for certain tax credit bids; limiting the total tax  
17 credits that may be allowed for all years; requiring certain dedicated capital to  
18 be paid to the Fund in certain amounts in accordance with certain procedures;  
19 requiring the Department to issue certain tax credit certificates in a certain  
20 manner; providing for certain penalties under certain circumstances;

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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.



1 authorizing the Department to purchase certain insurance for certain purposes;  
2 authorizing a purchaser of certain tax credits to claim the credits for certain  
3 taxable years in a certain manner; providing for the transfer of certain tax  
4 credits under certain circumstances; providing for the creation and  
5 administration of certain research endowments by certain governing bodies of  
6 certain institutions of higher education; requiring certain institutions of higher  
7 education to obtain certain qualified donations in order to receive certain  
8 matching funds; requiring certain reports on the receipt of qualified donations;  
9 providing for the expenditure of endowment proceeds under certain  
10 circumstances; establishing certain requirements for certain individuals in  
11 certain positions funded by endowment proceeds; requiring the Authority to  
12 issue certain eligibility criteria; requiring the governing body of a certain  
13 institution of higher education to submit certain research endowment plans to  
14 the Authority; requiring the Authority to make available a certain amount of  
15 funds to match qualified donations; requiring the Authority to review certain  
16 requests and distribute certain funds under certain circumstances; requiring a  
17 certain institution of higher education to deposit certain qualified donations into  
18 certain research endowments by a certain date; providing for the reallocation of  
19 certain funds under certain circumstances; requiring that certain designated  
20 capital be treated in a certain manner under certain circumstances; requiring  
21 the Department to submit certain information to the Maryland Insurance  
22 Administration; providing for the application of certain laws to certain services  
23 and transactions under this Act; requiring the Department to administer the  
24 Program and to adopt certain regulations; requiring the Department to submit  
25 an annual report to the Governor and certain committees of the General  
26 Assembly on certain matters; requiring the Department to publish the report on  
27 the Department's Web site in a certain format; prohibiting a certain publication  
28 from including any proprietary or confidential information; defining certain  
29 terms; and generally relating to tax credits, higher education, and the Maryland  
30 E–Nnovation Initiative Program.

31 BY adding to  
32 Article – Economic Development  
33 Section 6–601 through 6–631 to be under the new subtitle “Subtitle 6. Maryland  
34 E–Nnovation Initiative Program”  
35 Annotated Code of Maryland  
36 (2008 Volume and 2013 Supplement)

37 BY repealing and reenacting, with amendments,  
38 Article – Insurance  
39 Section 6–122  
40 Annotated Code of Maryland  
41 (2011 Replacement Volume and 2013 Supplement)

42 BY repealing and reenacting, without amendments,  
43 Article – State Finance and Procurement  
44 Section 6–226(a)(2)(i)

1 Annotated Code of Maryland  
2 (2009 Replacement Volume and 2013 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article – State Finance and Procurement  
5 Section 6–226(a)(2)(ii)76. and 77.  
6 Annotated Code of Maryland  
7 (2009 Replacement Volume and 2013 Supplement)

8 BY adding to  
9 Article – State Finance and Procurement  
10 Section 6–226(a)(2)(ii)78.  
11 Annotated Code of Maryland  
12 (2009 Replacement Volume and 2013 Supplement)

13 Preamble

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

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

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

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

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

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

34 **Article – Economic Development**

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

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**PART I. DEFINITIONS.**2 **6-601.**

3 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
4 INDICATED.

5 (B) "ALLOCATION AMOUNT" MEANS THE TOTAL AMOUNT OF TAX  
6 CREDITS ALLOCATED TO A PURCHASER.

7 (C) "ALLOCATION DATE" MEANS THE DATE ON WHICH TAX CREDITS ARE  
8 ALLOCATED TO A PURCHASER UNDER § 6-614 OF THIS SUBTITLE.

9 (D) "AUTHORITY" MEANS THE MARYLAND E-NOVATION INITIATIVE  
10 FUND AUTHORITY ESTABLISHED UNDER § 6-605 OF THIS SUBTITLE.

11 (E) "DESIGNATED CAPITAL" MEANS THE AMOUNT OF MONEY THAT A  
12 PURCHASER INVESTS UNDER THE PROGRAM.

13 (F) "ENDOWMENT PROCEEDS" MEANS THOSE INVESTMENT EARNINGS  
14 ACCRUING TO A RESEARCH ENDOWMENT OF A NONPROFIT INSTITUTION OF  
15 HIGHER EDUCATION AND AVAILABLE FOR EXPENDITURE BY THE INSTITUTION  
16 IN ACCORDANCE WITH § 6-618 OF THIS SUBTITLE.

17 (G) "FUND" MEANS THE MARYLAND E-NOVATION INITIATIVE FUND  
18 CREATED UNDER § 6-604 OF THIS SUBTITLE.

19 (H) "GOVERNING BOARD" HAS THE MEANING STATED IN § 10-101 OF  
20 THE EDUCATION ARTICLE.

21 (I) "GOVERNING BODY" MEANS:

22 (1) A GOVERNING BOARD;

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

25 (3) THE GOVERNING ENTITY OF A REGIONAL HIGHER EDUCATION  
26 CENTER.

27 (J) "INSURANCE PREMIUM TAX LIABILITY" MEANS:

1           (1) ANY LIABILITY INCURRED BY AN INSURANCE COMPANY  
2 UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE AS OF OCTOBER 1,  
3 2014; OR

4           (2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS  
5 SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS  
6 BEEN IMPOSED BY THE STATE ON THE INSURANCE COMPANY AS OF OCTOBER 1,  
7 2014, NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR  
8 REDUCED.

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

10           (1) ANY LIABILITY INCURRED BY A CORPORATION UNDER TITLE  
11 10, SUBTITLE 1 OF THE TAX – GENERAL ARTICLE AS OF OCTOBER 1, 2014; OR

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

16           (L) (1) “NONPROFIT INSTITUTION OF HIGHER EDUCATION” MEANS  
17 AN INSTITUTION OF POSTSECONDARY EDUCATION LOCATED IN THE STATE THAT  
18 RECEIVES STATE FUNDS IN THE ANNUAL OPERATING BUDGET THAT GENERALLY  
19 LIMITS ENROLLMENT TO GRADUATES OF SECONDARY SCHOOLS AND AWARDS  
20 DEGREES AT EITHER THE ASSOCIATE, BACCALAUREATE, OR GRADUATE LEVEL.

21           (2) “NONPROFIT INSTITUTION OF HIGHER EDUCATION”  
22 INCLUDES PUBLIC AND PRIVATE NONPROFIT INSTITUTIONS OF HIGHER  
23 EDUCATION LOCATED IN THE STATE.

24           (M) “PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION” HAS  
25 THE MEANING STATED IN § 10–101 OF THE EDUCATION ARTICLE.

26           (N) “PROGRAM” MEANS THE MARYLAND E–NNOVATION INITIATIVE  
27 PROGRAM UNDER THIS SUBTITLE.

28           (O) “PURCHASER” MEANS:

29           (1) AN INSURANCE COMPANY THAT:

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

31                   (II) HAS INSURANCE PREMIUM TAX LIABILITY; AND

1 (III) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN  
2 ALLOCATION OF PREMIUM TAX CREDITS UNDER THE PROGRAM;

3 (2) A HOLDING COMPANY THAT:

4 (I) HAS AT LEAST ONE INSURANCE COMPANY SUBSIDIARY  
5 AUTHORIZED TO DO BUSINESS IN THE STATE; AND

6 (II) IS CONTRIBUTING DESIGNATED CAPITAL ON BEHALF OF  
7 ONE OR MORE OF THESE SUBSIDIARIES; OR

8 (3) A CORPORATION THAT:

9 (I) HAS MARYLAND CORPORATE INCOME TAX LIABILITY;  
10 AND

11 (II) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN  
12 ALLOCATION OF MARYLAND CORPORATE INCOME TAX CREDITS UNDER THE  
13 PROGRAM.

14 (P) "QUALIFIED DONATION" MEANS ANY PRIVATE DONATION, GIFT,  
15 IRREVOCABLE PLEDGE, OR BEQUEST TO A RESEARCH ENDOWMENT IN  
16 ACCORDANCE WITH § 6-619 OF THIS SUBTITLE.

17 (Q) "REGIONAL HIGHER EDUCATION CENTER" HAS THE MEANING  
18 STATED IN § 10-101 OF THE EDUCATION ARTICLE.

19 (R) "RESEARCH ENDOWMENT" MEANS AN ACCOUNT ESTABLISHED AT  
20 OR ADMINISTERED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION IN  
21 ACCORDANCE WITH § 6-618 OF THIS SUBTITLE.

22 (S) "TAX CREDIT" MEANS A CREDIT AGAINST INSURANCE PREMIUM TAX  
23 LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY OFFERED TO A  
24 PURCHASER UNDER THE PROGRAM.

25 **6-602. RESERVED.**

26 **6-603. RESERVED.**

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

28 **6-604.**

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

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

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

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

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

9                   (1)   **DESIGNATED CAPITAL DISTRIBUTED TO THE FUND UNDER §**  
10 **6-612 OF THIS SUBTITLE;**

11                   (2)   **MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**  
12 **AND**

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

15           (E)    **THE DEPARTMENT MAY USE THE FUND TO:**

16                   (1)   **FINANCE RESEARCH ENDOWMENTS AT NONPROFIT**  
17 **INSTITUTIONS OF HIGHER EDUCATION IN SCIENTIFIC AND TECHNICAL FIELDS**  
18 **OF STUDY; AND**

19                   (2)   **PAY THE RELATED ADMINISTRATIVE, LEGAL, AND ACTUARIAL**  
20 **EXPENSES OF THE DEPARTMENT.**

21           (F)    (1)   **THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
22 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

23                   (2)   **ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**  
24 **CREDITED TO THE FUND.**

25           (G)    **EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**  
26 **ACCORDANCE WITH THE STATE BUDGET.**

27 **6-605.**

28           **THERE IS A MARYLAND E-NOVATION INITIATIVE FUND AUTHORITY IN**  
29 **THE DEPARTMENT.**

1 **6-606.**

2 THE AUTHORITY CONSISTS OF THOSE MEMBERS APPOINTED TO THE  
3 MARYLAND VENTURE FUND AUTHORITY ESTABLISHED UNDER SUBTITLE 5 OF  
4 THIS TITLE.

5 **6-607.**

6 (A) THE CHAIR OF THE MARYLAND VENTURE FUND AUTHORITY SHALL  
7 SERVE AS THE CHAIR 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 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) ~~(1) ALL DESIGNATED CAPITAL FROM PURCHASERS SHALL BE~~  
2 ~~DEPOSITED INTO THE FUND TO BE INVESTED AS PROVIDED IN THIS SUBTITLE~~  
3 THE DEPARTMENT SHALL ALLOCATE:

4                   (I) \$50,000,000 OF THE DESIGNATED CAPITAL TO THE  
5 FUND TO BE INVESTED AND DISTRIBUTED AS PROVIDED IN THIS SUBTITLE; AND

6                   (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
7 REMAINING DESIGNATED CAPITAL TO THE ENTERPRISE FUND AS PROVIDED  
8 UNDER TITLE 5, SUBTITLE 6 OF THIS ARTICLE.

9           (2) (I) THE DEPARTMENT MAY NOT ALLOCATE FUNDS UNDER  
10 PARAGRAPH (1)(II) OF THIS SUBSECTION UNTIL THE INVEST MARYLAND  
11 PROGRAM ESTABLISHED UNDER TITLE 5, SUBTITLE 6 OF THIS ARTICLE HAS  
12 BEEN REAUTHORIZED OR ANOTHER ECONOMIC DEVELOPMENT PROGRAM FOR  
13 WHICH THE FUNDS MAY BE USED HAS BEEN AUTHORIZED.

14                   (II) IF THE INVEST MARYLAND PROGRAM OR OTHER  
15 ECONOMIC DEVELOPMENT PROGRAM HAS NOT BEEN AUTHORIZED BY JUNE 1,  
16 2016, THEN THE REMAINING DESIGNATED CAPITAL SHALL BE ALLOCATED TO  
17 THE FUND TO BE INVESTED AND DISTRIBUTED AS PROVIDED IN THIS SUBTITLE.

18           (B) AS SOON AS PRACTICABLE AFTER THE DEPARTMENT RECEIVES  
19 EACH INSTALLMENT OF DESIGNATED CAPITAL AND A NONPROFIT INSTITUTION  
20 OF HIGHER EDUCATION RECEIVES AN EQUIVALENT AMOUNT IN QUALIFIED  
21 DONATIONS, THE DEPARTMENT AND EACH INSTITUTION THAT HAS BEEN  
22 ALLOCATED FUNDING FROM THE FUND SHALL ENTER INTO A MEMORANDUM OF  
23 UNDERSTANDING UNDER WHICH THE ALLOCATED AMOUNT OF FUNDING WILL  
24 BE TRANSFERRED BY THE DEPARTMENT TO THE INSTITUTION FOR USE AS  
25 PROVIDED IN THIS SUBTITLE.

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

28 **6-613.**

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

32           (B) USING THE PROCEDURES ADOPTED BY THE INDEPENDENT THIRD  
33 PARTY, EACH POTENTIAL PURCHASER SHALL MAKE A TIMELY AND  
34 IRREVOCABLE OFFER, SUBJECT ONLY TO THE DEPARTMENT'S ISSUANCE TO  
35 THE PURCHASER OF TAX CREDIT CERTIFICATES, TO MAKE SPECIFIED

1 CONTRIBUTIONS OF DESIGNATED CAPITAL TO THE DEPARTMENT ON THE DATES  
2 SPECIFIED IN § 6-614(A) OF THIS SUBTITLE.

3 (C) THE OFFER SHALL INCLUDE:

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

6 (2) THE POTENTIAL PURCHASER'S SPECIFIED CONTRIBUTION  
7 FOR EACH TAX CREDIT DOLLAR REQUESTED, WHICH MAY NOT BE LESS THAN  
8 THE GREATER OF:

9 (I) 70% OF THE REQUESTED DOLLAR AMOUNT OF TAX  
10 CREDITS; OR

11 (II) THE PERCENTAGE OF THE REQUESTED DOLLAR  
12 AMOUNT OF TAX CREDITS THAT THE SECRETARY, ON THE RECOMMENDATION  
13 OF THE INDEPENDENT THIRD PARTY, DETERMINES TO BE CONSISTENT WITH  
14 MARKET CONDITIONS AS OF THE OFFER DATE; AND

15 (3) ANY OTHER INFORMATION THE INDEPENDENT THIRD PARTY  
16 REQUIRES.

17 (D) THE MAXIMUM AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED  
18 UNDER THIS SUBTITLE FOR ALL YEARS IN WHICH TAX CREDITS ARE ALLOCATED  
19 IS: \$100,000,000.

20 ~~(1) \$25,000,000 FOR CALENDAR YEAR 2014; AND~~

21 ~~(2) \$25,000,000 FOR CALENDAR YEAR 2016.~~

22 (E) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE ~~FOR~~  
23 ~~CALENDAR YEAR 2014:~~

24 (1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX  
25 CREDITS IS FEBRUARY 1, 2015; AND

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

30 ~~(F) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
31 ~~CALENDAR YEAR 2016:~~

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

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

7 6-614.

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

12           ~~(2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR~~  
13 ~~CALENDAR YEAR 2016, DESIGNATED CAPITAL COMMITTED BY A PURCHASER~~  
14 ~~SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY~~  
15 ~~INSTALLMENTS DUE ON JUNE 1 OF 2017, 2018, AND 2019.~~

16           (B) ON RECEIPT OF EACH INSTALLMENT OF DESIGNATED CAPITAL, THE  
17 DEPARTMENT SHALL ISSUE TO EACH PURCHASER A TAX CREDIT CERTIFICATE  
18 REPRESENTING A FULLY VESTED CREDIT AGAINST INSURANCE PREMIUM TAX  
19 LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EQUAL TO  
20 ONE-THIRD OF THE TOTAL TAX CREDITS ALLOCATED TO THE PURCHASER.

21           (C) THE DEPARTMENT SHALL ISSUE TAX CREDIT CERTIFICATES TO  
22 PURCHASERS IN ACCORDANCE WITH THE BIDDING PROCESS SELECTED BY THE  
23 INDEPENDENT THIRD PARTY ON BEHALF OF THE AUTHORITY UNDER § 6-613 OF  
24 THIS SUBTITLE.

25           (D) THE TAX CREDIT CERTIFICATE SHALL STATE:

26           (1) THE TOTAL AMOUNT OF TAX CREDITS THAT THE PURCHASER  
27 MAY CLAIM;

28           (2) THE AMOUNT OF DESIGNATED CAPITAL THAT THE  
29 PURCHASER HAS CONTRIBUTED IN RETURN FOR THE ISSUANCE OF THE TAX  
30 CREDIT CERTIFICATE;

31           (3) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE  
32 FOR USE BY THE PURCHASER;

- 1           **(4) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;**
- 2           **(5) THE PROCEDURES TO BE USED FOR TRANSFERRING THE TAX**  
3 **CREDITS; AND**
- 4           **(6) ANY OTHER REQUIREMENTS THE DEPARTMENT CONSIDERS**  
5 **NECESSARY.**
- 6           **(E) (1) A TAX CREDIT CERTIFICATE MAY NOT BE ISSUED TO ANY**  
7 **PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL**  
8 **WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES.**
- 9           **(2) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF**  
10 **DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES**  
11 **SHALL BE SUBJECT TO A PENALTY EQUAL TO 10% OF THE AMOUNT OF**  
12 **DESIGNATED CAPITAL THAT REMAINS UNPAID, PAYABLE TO THE DEPARTMENT**  
13 **WITHIN 30 DAYS AFTER DEMAND BY THE DEPARTMENT.**
- 14           **(3) THE DEPARTMENT MAY OFFER TO REALLOCATE THE**  
15 **DEFAULTED DESIGNATED CAPITAL AMONG THE OTHER PURCHASERS, SO THAT**  
16 **THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL**  
17 **ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT**  
18 **ALLOCATION TO THE DEFAULTING PURCHASER.**
- 19           **(4) IF THE REALLOCATION OF DESIGNATED CAPITAL RESULTS IN**  
20 **THE CONTRIBUTION BY ANOTHER PURCHASER OR PURCHASERS OF THE**  
21 **AMOUNT OF DESIGNATED CAPITAL NOT CONTRIBUTED BY THE DEFAULTING**  
22 **PURCHASER, THEN THE DEPARTMENT MAY WAIVE THE PENALTY PROVIDED**  
23 **UNDER THIS SUBSECTION.**
- 24           **(5) (I) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION**  
25 **OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD SPECIFIED MAY AVOID THE**  
26 **IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX**  
27 **CREDITS TO A NEW OR EXISTING PURCHASER WITHIN 30 DAYS AFTER THE DUE**  
28 **DATE OF THE DEFAULTED INSTALLMENT.**
- 29           **(II) ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS**  
30 **FROM A DEFAULTING PURCHASER UNDER THIS SECTION SHALL AGREE TO MAKE**  
31 **THE REQUIRED CONTRIBUTION OF DESIGNATED CAPITAL WITHIN 30 DAYS**  
32 **AFTER THE DATE OF THE TRANSFER.**
- 33           **(6) (I) THE DEPARTMENT IN ITS SOLE DISCRETION MAY**  
34 **PURCHASE INSURANCE OR MAKE OTHER FINANCIAL ARRANGEMENTS IN ORDER**

1 TO ENSURE THE AVAILABILITY OF THE FULL AMOUNT OF DESIGNATED CAPITAL  
2 COMMITTED BY PURCHASERS.

3 (II) THE DEPARTMENT SHALL DISCLOSE ANY PURCHASE OF  
4 INSURANCE OR OTHER SIMILAR FINANCIAL ARRANGEMENT UNDER THIS  
5 PARAGRAPH IN THE ANNUAL REPORT REQUIRED UNDER § 6-631 OF THIS  
6 SUBTITLE.

7 6-615.

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

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

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

20 (B) (1) THE CREDIT TO BE APPLIED AGAINST INSURANCE PREMIUM  
21 TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY IN ANY  
22 TAXABLE YEAR MAY NOT EXCEED THE TAX LIABILITY OF THE PURCHASER FOR  
23 THAT TAXABLE YEAR.

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

25 (I) CARRIED FORWARD INDEFINITELY UNTIL THE TAX  
26 CREDITS ARE USED; AND

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

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

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

4                   **(I) MEETS THE DEFINITION OF A PURCHASER;**

5                   **(II) IS IN GOOD STANDING WITH THE MARYLAND**  
6 **INSURANCE ADMINISTRATION, IF THE PURCHASER IS AN INSURANCE COMPANY**  
7 **OR HOLDING COMPANY; AND**

8                   **(III) AGREES TO ASSUME ALL OF THE TRANSFEROR'S**  
9 **OBLIGATIONS UNDER THE PROGRAM.**

10           **(C) A PURCHASER CLAIMING A CREDIT AGAINST INSURANCE PREMIUM**  
11 **TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EARNED**  
12 **THROUGH AN INVESTMENT UNDER THE PROGRAM IS NOT REQUIRED TO PAY**  
13 **ANY ADDITIONAL TAX AS A RESULT OF CLAIMING THE CREDIT.**

14           **(D) A PURCHASER IS NOT REQUIRED TO REDUCE THE AMOUNT OF**  
15 **PREMIUM TAX INCLUDED BY THE PURCHASER IN CONNECTION WITH**  
16 **RATE MAKING FOR ANY INSURANCE CONTRACT WRITTEN IN THE STATE**  
17 **BECAUSE OF A REDUCTION IN THE PURCHASER'S INSURANCE PREMIUM TAX**  
18 **DERIVED FROM THE CREDIT GRANTED UNDER THIS SUBTITLE.**

19 **6-616. RESERVED.**

20 **6-617. RESERVED.**

21                   **PART IV. RESEARCH ENDOWMENTS.**

22 **6-618.**

23           **(A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF**  
24 **HIGHER EDUCATION MAY CREATE AND ADMINISTER ONE OR MORE RESEARCH**  
25 **ENDOWMENTS TO RECEIVE FUNDING FROM THE FUND.**

26           **(B) A RESEARCH ENDOWMENT CONSISTS OF FUNDS DISTRIBUTED BY**  
27 **THE AUTHORITY FROM THE FUND IN ACCORDANCE WITH § 6-624 OF THIS**  
28 **SUBTITLE AND QUALIFIED DONATIONS.**

29           **(C) (1) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF**  
30 **HIGHER EDUCATION MAY INVEST FUNDS DEPOSITED INTO THE RESEARCH**  
31 **ENDOWMENT IN A MANNER CONSISTENT WITH OTHER INSTITUTIONAL**  
32 **ENDOWMENTS MANAGED BY THE INSTITUTION.**

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

4           **(D) INVESTMENT EARNINGS ACCRUING TO THE RESEARCH ENDOWMENT**  
5 **OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY BE EXPENDED BY**  
6 **THE GOVERNING BODY OF THE INSTITUTION ~~IF THE INVESTMENT EARNINGS~~**  
7 **~~ARE EXPENDED~~ ONLY FOR THE ELIGIBLE USES ~~DESIGNATED~~ UNDER § 6-620 OF**  
8 **THIS SUBTITLE.**

9           **(E) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER**  
10 **EDUCATION IS EXEMPT FROM LIABILITY FOR ANY LOSS OR DECREASE IN VALUE**  
11 **OF THE ASSETS OR INCOME OF A RESEARCH ENDOWMENT, UNLESS THE LOSSES**  
12 **OR DECREASES IN VALUE RESULT FROM BAD FAITH, GROSS NEGLIGENCE, OR**  
13 **INTENTIONAL MISCONDUCT.**

14           **(F) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER**  
15 **EDUCATION SHALL ISSUE RULES FOR THE ADMINISTRATION OF RESEARCH**  
16 **ENDOWMENTS THAT FULFILL THE PURPOSES AND REQUIREMENTS OF THIS**  
17 **SUBTITLE.**

18 **6-619.**

19           **(A) PRIVATE DONATIONS TO A RESEARCH ENDOWMENT SHALL BE**  
20 **CONSIDERED A QUALIFIED DONATION IF:**

21           **(1) THE DONATION OR PLEDGE IS EXPRESSLY OR SPECIFICALLY**  
22 **RESTRICTED BY THE DONOR FOR ONE OR MORE OF THE ELIGIBLE USES UNDER §**  
23 **6-620 OF THIS SUBTITLE;**

24           **(2) THE INDIVIDUAL DONATION OR PLEDGE IS A MINIMUM OF**  
25 **\$500,000 OR IS BUNDLED WITH OTHER QUALIFIED DONATIONS TO MEET THE**  
26 **\$500,000 THRESHOLD; AND**

27           **(3) THE NONPROFIT INSTITUTION OF HIGHER EDUCATION**  
28 **ACCEPTS THE DONATION FROM INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS,**  
29 **PUBLIC OR PRIVATE FOR-PROFIT AND NONPROFIT CORPORATIONS, OR**  
30 **NONGOVERNMENTAL FOUNDATIONS.**

31           **(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A**  
32 **NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY DESIGNATE**  
33 **UNRESTRICTED GIFTS OR BEQUESTS, OR A PORTION OF AN UNRESTRICTED GIFT**  
34 **OR BEQUEST, FOR USE AS A QUALIFIED DONATION.**

1           **(C) A QUALIFIED DONATION EXCLUDES:**

2                   **(1) ANY DONATION RECEIVED BY A NONPROFIT INSTITUTION OF**  
3 **HIGHER EDUCATION PRIOR TO OCTOBER 1, 2014;**

4                   **(2) EDUCATIONAL OR GENERAL FEES, AUXILIARY FEES, OR**  
5 **OTHER STUDENT FEES GENERATED BY THE INSTITUTION;**

6                   **(3) PROCEEDS FROM PROMISSORY NOTES, BONDS, LOANS, OR**  
7 **OTHER INSTRUMENTS EVIDENCING AN INDEBTEDNESS OR ANY OTHER**  
8 **OBLIGATION OF REPAYMENT BY THE GOVERNING BODY OF A NONPROFIT**  
9 **INSTITUTION OF HIGHER EDUCATION TO THE MAKER OF THE INSTRUMENT; OR**

10                   **(4) ANY OTHER FUNDS RECEIVED FROM THE STATE OR FEDERAL**  
11 **GOVERNMENT.**

12           **(D) (1) THE PRESIDENT OF EACH NONPROFIT INSTITUTION OF**  
13 **HIGHER EDUCATION OR THE PRESIDENT'S DESIGNEE SHALL MAKE THE INITIAL**  
14 **DETERMINATION OF WHETHER A DONATION CONSTITUTES A QUALIFIED**  
15 **DONATION.**

16                   **(2) THE PRESIDENT OF THE NONPROFIT INSTITUTION OF HIGHER**  
17 **EDUCATION SHALL PROVIDE A REPORT TO THE GOVERNING BODY OF THE**  
18 **INSTITUTION AT LEAST ONCE EACH FISCAL YEAR REGARDING THE AMOUNT OF**  
19 **QUALIFIED DONATIONS THE INSTITUTION HAS RECEIVED.**

20 **6-620.**

21           **(A) ENDOWMENT PROCEEDS SHALL BE EXPENDED BY A NONPROFIT**  
22 **INSTITUTION OF HIGHER EDUCATION TO FURTHER BASIC AND APPLIED**  
23 **RESEARCH IN SCIENTIFIC ~~AREAS~~ AND TECHNICAL FIELDS OF STUDY AS**  
24 **DESIGNATED BY THE AUTHORITY THAT OFFER PROMISING AND SIGNIFICANT**  
25 **ECONOMIC IMPACTS AND THE OPPORTUNITY TO DEVELOP CLUSTERS OF**  
26 **TECHNOLOGICAL INNOVATION IN THE STATE, INCLUDING:**

27                   **(1) CYBER TECHNOLOGY;**

28                   **(2) ENERGY AND ENVIRONMENTAL SCIENCES;**

29                   **(3) NANOTECHNOLOGY AND MATERIALS SCIENCE;**

30                   **(4) ADVANCED MEDICAL AND PUBLIC HEALTH SCIENCE;**



1           **(5) QUANTUM COMPUTING AND QUANTUM ENGINEERING;**

2           **(6) TRANSPORTATION TECHNOLOGY, LOGISTICS, AND**  
3 **AUTONOMOUS SYSTEMS INTEGRATION;**

4           **(7) SPACE AND AEROSPACE SCIENCES;**

5           **(8) BIOMETRICS, SECURITY, SENSING, AND RELATED**  
6 **IDENTIFICATION TECHNOLOGIES;**

7           **(9) GERONTOLOGY;**

8           **(10) NEUROSCIENCES; ~~OR~~**

9           **(11) LANGUAGE SCIENCES; OR**

10           **(12) HIGH-TECH MANUFACTURING PROCESSES.**

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**

29           **(2) HOLD A JOINT APPOINTMENT OR SECONDARY POSITION AT**  
30 **ANOTHER NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE.**

1           **(D) THE AUTHORITY SHALL ISSUE ELIGIBILITY CRITERIA REGARDING**  
2 **THE EXPENDITURE OF ENDOWMENT PROCEEDS TO PAY THE BASE SALARIES OF**  
3 **PERSONNEL, FUND STUDENT FELLOWSHIPS, AND PURCHASE BASIC**  
4 **INFRASTRUCTURE.**

5 **6-621.**

6           **(A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF**  
7 **HIGHER EDUCATION SHALL SUBMIT A RESEARCH ENDOWMENT PLAN TO THE**  
8 **AUTHORITY PRIOR TO SUBMITTING ITS FIRST REQUEST FOR A DISTRIBUTION OF**  
9 **MATCHING FUNDS FROM THE FUND.**

10           **(B) THE RESEARCH PLAN SHALL INCLUDE:**

11                   **(1) ANY INFORMATION REQUESTED BY THE AUTHORITY TO**  
12 **ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THIS SUBTITLE; AND**

13                   **(2) A DEMONSTRATION OF INTEREST FROM QUALIFIED PRIVATE**  
14 **DONORS TO MEET THE CRITERIA ESTABLISHED BY THE AUTHORITY.**

15 **6-622. RESERVED.**

16 **6-623. RESERVED.**

17           **PART V. DISTRIBUTIONS FROM THE MARYLAND E-NOVATION INITIATIVE**  
18 **FUND.**

19 **6-624.**

20           **(A) EXCEPT AS PROVIDED IN § 6-625 OF THIS SUBTITLE, THE**  
21 **AUTHORITY SHALL MAKE AVAILABLE NO MORE THAN 25% OF FUNDS IN THE**  
22 **FUND TO A SINGLE NONPROFIT INSTITUTION OF HIGHER EDUCATION TO MATCH**  
23 **QUALIFIED DONATIONS.**

24           **(B) A NONPROFIT INSTITUTION OF HIGHER EDUCATION SEEKING A**  
25 **DISTRIBUTION OF MATCHING FUNDS FROM THE FUND SHALL FIRST OBTAIN**  
26 **QUALIFIED DONATIONS IN AN AMOUNT EQUAL TO THE AMOUNT OF MATCHING**  
27 **FUNDS REQUESTED FOR DISTRIBUTION AND SHALL SUBMIT A REQUEST TO THE**  
28 **AUTHORITY.**

29           **(C) THE REQUEST SHALL INCLUDE:**

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

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

6           (3) AN EXPLANATION OF HOW THE PROPOSED USE SATISFIES THE  
7 CRITERIA FOR ELIGIBLE USES OF ENDOWMENT PROCEEDS UNDER § 6-620 OF  
8 THIS SUBTITLE;

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

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

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

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

22 **6-625.**

23           (A) EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL  
24 DEPOSIT BY ~~JULY 1, 2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE~~  
25 ~~FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED~~  
26 ~~UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016~~ AN AMOUNT OF QUALIFIED  
27 DONATIONS EQUAL TO OR GREATER THAN THE TOTAL AMOUNT OF FUNDS  
28 ALLOCATED FOR DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER  
29 EDUCATION IN ACCORDANCE WITH § 6-624 OF THIS SUBTITLE.

30           (B) IF A NONPROFIT INSTITUTION OF HIGHER EDUCATION FAILS TO  
31 HAVE DEPOSITED INTO ITS RESEARCH ENDOWMENTS THE REQUIRED AMOUNT  
32 OF QUALIFIED DONATIONS BY ~~JULY 1, 2018, FOR TAX CREDITS ALLOCATED~~  
33 ~~UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX~~  
34 ~~CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016~~ THE  
35 DATE REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, ANY PORTION OF

1 THE FUNDS ALLOCATED TO THE INSTITUTION THAT HAS NOT BEEN  
2 DISTRIBUTED SHALL BE REALLOCATED TO ANOTHER NONPROFIT INSTITUTION  
3 OF HIGHER EDUCATION IN ACCORDANCE WITH THIS SUBTITLE.

4 (C) IF THE AUTHORITY FAILS TO ALLOCATE THE FUNDS IN THE FUND  
5 DERIVED FROM THE PURCHASES OF TAX CREDITS ALLOCATED UNDER THIS  
6 SUBTITLE ~~FOR CALENDAR YEARS 2014 OR 2016 BY JULY 1, 2018, OR JULY 1,~~  
7 ~~2020, RESPECTIVELY,~~ AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION  
8 HAS PREVIOUSLY RECEIVED 25% OF THE FUNDS IN THE FUND, THE AUTHORITY  
9 MAY DISTRIBUTE ADDITIONAL FUNDS TO THE NONPROFIT INSTITUTION IN  
10 ACCORDANCE WITH THIS SUBTITLE.

11 **6-626. RESERVED.**

12 **6-627. RESERVED.**

13 **PART VI. MISCELLANEOUS.**

14 **6-628.**

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

19 (B) THE DEPARTMENT SHALL SUBMIT THE FOLLOWING TO THE  
20 MARYLAND INSURANCE ADMINISTRATION:

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

25 (2) A COPY OF THE TAX CREDIT CERTIFICATE ISSUED TO EACH  
26 PURCHASER WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CERTIFICATE  
27 UNDER § 6-614 OF THIS SUBTITLE;

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

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

30 **6-629.**

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

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

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

15 **6-630.**

16           **THE DEPARTMENT SHALL ADMINISTER THIS SUBTITLE AND SHALL ADOPT**  
17 **REGULATIONS TO CARRY OUT THIS SUBTITLE.**

18 **6-631.**

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

24           **(2) THE DEPARTMENT SHALL PUBLISH THE REPORT ON THE**  
25 **DEPARTMENT'S WEB SITE IN A PUBLICLY AVAILABLE FORMAT.**

26           **(3) THE REPORT PUBLISHED ON THE WEB SITE MAY NOT**  
27 **INCLUDE ANY PROPRIETARY OR CONFIDENTIAL INFORMATION.**

28           **(B) THE REPORT SHALL INCLUDE:**

29           **(1) WITH RESPECT TO EACH PURCHASER OF TAX CREDITS UNDER**  
30 **THE PROGRAM:**

31           **(I) THE NAME OF THE PURCHASER OF THE TAX CREDITS;**



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

3 76. the Baltimore City Public School Construction  
4 Financing Fund; [and]

5 77. the Spay/Neuter Fund; AND

6 78. THE MARYLAND E-NOVATION INITIATIVE  
7 FUND.

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

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.