

SENATE BILL 603

C8

4r2862
CF 4r2760

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

Introduced and read first time: January 30, 2014

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Technology Development Corporation –**
3 **Cybersecurity Investment Fund**

4 FOR the purpose of establishing the Cybersecurity Investment Fund in the Maryland
5 Technology Development Corporation as a special, nonlapsing fund; specifying
6 the purpose of the Fund; requiring the Corporation to administer the Fund;
7 requiring the State Treasurer to hold the Fund and the Comptroller to account
8 for the Fund; specifying the contents of the Fund; specifying the purpose for
9 which the Fund may be used; providing for the investment of money in and
10 expenditures from the Fund; exempting the Fund from a certain provision of
11 law requiring interest on State money in special funds to accrue to the General
12 Fund of the State; requiring the Corporation to provide certain reports that
13 include certain information; defining certain terms; and generally relating to
14 economic development, commercialization of technology in the State, and the
15 Cybersecurity Investment Fund.

16 BY adding to

17 Article – Economic Development
18 Section 10–463 through 10–465 to be under the new part “Part VI.
19 Cybersecurity Investment Fund”
20 Annotated Code of Maryland
21 (2008 Volume and 2013 Supplement)

22 BY repealing and reenacting, without amendments,

23 Article – State Finance and Procurement
24 Section 6–226(a)(2)(i)
25 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2009 Replacement Volume and 2013 Supplement)

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

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

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

14 **Article – Economic Development**

15 **10–461. RESERVED.**

16 **10–462. RESERVED.**

17 **PART VI. CYBERSECURITY INVESTMENT FUND.**

18 **10–463.**

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

21 (B) “COMMERCIALIZATION” MEANS THE PROCESS OF INTRODUCING A
22 NEW PRODUCT OR TECHNOLOGY INTO THE MARKET.

23 (C) “CORPORATION” MEANS THE MARYLAND TECHNOLOGY
24 DEVELOPMENT CORPORATION.

25 (D) (1) “CYBERSECURITY” MEANS INFORMATION TECHNOLOGY
26 SECURITY.

27 (2) “CYBERSECURITY” INCLUDES THE PROTECTION OF
28 COMPUTERS, NETWORKS, PROGRAMS, AND DATA FROM UNINTENDED OR
29 UNAUTHORIZED ACCESS, CHANGE, OR DESTRUCTION.

30 (E) “FUND” MEANS THE CYBERSECURITY INVESTMENT FUND
31 ESTABLISHED UNDER § 10–464 OF THIS PART.

1 **10-464.**

2 (A) **THERE IS A CYBERSECURITY INVESTMENT FUND.**

3 (B) **THE PURPOSE OF THE FUND IS TO:**

4 (1) **PROVIDE EARLY-STAGE, SEED FUNDING FOR EMERGING**
5 **TECHNOLOGY COMPANIES LOCATED IN THE STATE FOCUSED ON**
6 **CYBERSECURITY AND CYBERSECURITY TECHNOLOGY PRODUCT DEVELOPMENT;**

7 (2) **MAXIMIZE CORPORATION INVESTMENTS TO ENABLE FUNDED**
8 **EMERGING TECHNOLOGY COMPANIES TO OBTAIN THIRD-PARTY DOWNSTREAM**
9 **FUNDING FOR COMMERCIALIZATION; AND**

10 (3) **LEVERAGE CORPORATION INVESTMENTS IN EARLY-STAGE**
11 **CYBERSECURITY COMPANIES TO CREATE ADDITIONAL ECONOMIC**
12 **DEVELOPMENT OPPORTUNITIES THROUGHOUT THE STATE.**

13 (C) **THE CORPORATION SHALL ADMINISTER THE FUND.**

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

15 (1) **APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;**

16 (2) **MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL**
17 **PROGRAMS OR PRIVATE CONTRIBUTIONS;**

18 (3) **REPAYMENT OF PRINCIPAL OR PAYMENT OF INTEREST ON A**
19 **LOAN MADE FROM THE FUND;**

20 (4) **INVESTMENT EARNINGS OF THE FUND; AND**

21 (5) **ANY OTHER MONEY ACCEPTED BY THE CORPORATION FOR**
22 **THE FUND.**

23 (E) **THE CORPORATION MAY USE THE FUND TO:**

24 (1) **CARRY OUT THE PURPOSES OF THE FUND RELATED TO THE**
25 **COMMERCIALIZATION OF CYBERSECURITY RESEARCH AND CYBERSECURITY**
26 **TECHNOLOGY PRODUCT DEVELOPMENT IN ACCORDANCE WITH THE TERMS OF**
27 **THIS PART; AND**

1 **(2) PAY THE COSTS NECESSARY TO IMPLEMENT THIS PART AND**
2 **TO ADMINISTER THE FUND.**

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

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

7 **(3) THE STATE TREASURER SHALL INVEST THE MONEY IN THE**
8 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

9 **(4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**
10 **CREDITED TO THE FUND.**

11 **10-465.**

12 **THE CORPORATION SHALL INCLUDE, AS PART OF ITS ANNUAL REPORT TO**
13 **THE GOVERNOR AND THE GENERAL ASSEMBLY UNDER § 10-415 OF THIS**
14 **SUBTITLE, A DETAILED DESCRIPTION OF:**

15 **(1) THE NUMBER OF FUND PROPOSALS RECEIVED BY THE**
16 **CORPORATION DURING THE PRECEDING FISCAL YEAR;**

17 **(2) THE NUMBER OF FUND TRANSACTIONS OR PROJECTS FOR**
18 **WHICH THE CORPORATION PROVIDED FUNDING DURING THE PRECEDING**
19 **FISCAL YEAR;**

20 **(3) THE AMOUNT OF MONEY AWARDED BY THE FUND IN THE**
21 **PRECEDING FISCAL YEAR; AND**

22 **(4) THE TOTAL AMOUNT OF THIRD-PARTY DOWNSTREAM**
23 **FUNDING OF COMPLETED INVESTMENTS SINCE FUND INCEPTION.**

24 **Article – State Finance and Procurement**

25 **6-226.**

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

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 CYBERSECURITY INVESTMENT FUND.**

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