

# SENATE BILL 603

C8

4lr2862  
CF HB 740

---

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

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 21, 2014

---

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

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

---

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 (2008 Volume and 2013 Supplement)

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

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

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

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

19 **Article – Economic Development**

20 **10–461. RESERVED.**

21 **10–462. RESERVED.**

22 **PART VI. CYBERSECURITY INVESTMENT FUND.**

23 **10–463.**

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

26 **(B) “COMMERCIALIZATION” MEANS THE PROCESS OF INTRODUCING A**  
27 **NEW PRODUCT OR TECHNOLOGY INTO THE MARKET.**

28 **(C) “CORPORATION” MEANS THE MARYLAND TECHNOLOGY**  
29 **DEVELOPMENT CORPORATION.**

30 **(D) (1) “CYBERSECURITY” MEANS INFORMATION TECHNOLOGY**  
31 **SECURITY.**

1           (2) “CYBERSECURITY” INCLUDES THE PROTECTION OF  
2 ~~COMPUTERS~~ NETWORKED DEVICES, NETWORKS, PROGRAMS, AND DATA FROM  
3 UNINTENDED OR UNAUTHORIZED ACCESS, CHANGE, OR DESTRUCTION.

4           (E) “FUND” MEANS THE CYBERSECURITY INVESTMENT FUND  
5 ESTABLISHED UNDER § 10-464 OF THIS PART.

6 10-464.

7           (A) THERE IS A CYBERSECURITY INVESTMENT FUND.

8           (B) THE PURPOSE OF THE FUND IS TO:

9           (1) PROVIDE ~~EARLY-STAGE, SEED~~ SEED AND EARLY-STAGE  
10 FUNDING FOR EMERGING TECHNOLOGY COMPANIES LOCATED IN THE STATE  
11 FOCUSED ON CYBERSECURITY AND CYBERSECURITY TECHNOLOGY PRODUCT  
12 DEVELOPMENT;

13           (2) MAXIMIZE CORPORATION INVESTMENTS ~~TO ENABLE BY~~  
14 SUPPORTING FUNDED EMERGING TECHNOLOGY COMPANIES TO ENABLE  
15 CORPORATE GROWTH AND TO OBTAIN THIRD-PARTY DOWNSTREAM FUNDING  
16 FOR COMMERCIALIZATION; AND

17           (3) LEVERAGE CORPORATION INVESTMENTS IN EARLY-STAGE  
18 CYBERSECURITY COMPANIES ~~TO CREATE ADDITIONAL~~ BY TAKING ADVANTAGE  
19 OF ECONOMIC DEVELOPMENT OPPORTUNITIES THROUGHOUT THE STATE.

20           (C) THE CORPORATION SHALL ADMINISTER THE FUND.

21           (D) THE FUND CONSISTS OF:

22           (1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

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

25           (3) REPAYMENT OF CAPITAL OR PRINCIPAL OR PAYMENT OF  
26 INTEREST ON ~~A LOAN MADE~~ ANY DEBT OR EQUITY INVESTMENTS FROM THE  
27 FUND;

28           (4) INVESTMENT EARNINGS OF THE FUND; AND

29           (5) ANY OTHER MONEY ACCEPTED BY THE CORPORATION FOR  
30 THE FUND.

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

2                   **(1) CARRY OUT THE PURPOSES OF THE FUND RELATED TO THE**  
 3 **COMMERCIALIZATION OF CYBERSECURITY RESEARCH AND CYBERSECURITY**  
 4 **TECHNOLOGY PRODUCT DEVELOPMENT IN ACCORDANCE WITH THE TERMS OF**  
 5 **THIS PART; AND**

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

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

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

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

14                   **(4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**  
 15 **CREDITED TO THE FUND.**

16 **10-465.**

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

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

22                   **(2) THE NUMBER OF FUND TRANSACTIONS OR PROJECTS FOR**  
 23 **WHICH THE CORPORATION PROVIDED FUNDING DURING THE PRECEDING**  
 24 **FISCAL YEAR;**

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

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

29                                   **Article – State Finance and Procurement**

30 **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 CYBERSECURITY INVESTMENT FUND.**

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

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.