

Chapter 534

(Senate Bill 603)

AN ACT concerning

Economic Development – Maryland Technology Development Corporation – Cybersecurity Investment Fund

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

BY adding to

Article – Economic Development

Section 10–463 through 10–465 to be under the new part “Part VI.
Cybersecurity Investment Fund”

Annotated Code of Maryland

(2008 Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)76. and 77.

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)78.

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

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

Article – Economic Development

10-461. RESERVED.

10-462. RESERVED.

PART VI. CYBERSECURITY INVESTMENT FUND.

10-463.

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

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

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

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

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

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

10-464.

(A) THERE IS A CYBERSECURITY INVESTMENT FUND.

(B) THE PURPOSE OF THE FUND IS TO:

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

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

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

(C) THE CORPORATION SHALL ADMINISTER THE FUND.

(D) THE FUND CONSISTS OF:

(1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

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

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

(4) INVESTMENT EARNINGS OF THE FUND; AND

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

(E) THE CORPORATION MAY USE THE FUND TO:

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

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

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

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

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

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

10-465.

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

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

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

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

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

Article – State Finance and Procurement

6-226.

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

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

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

77. the Spay/Neuter Fund; AND

78. THE CYBERSECURITY INVESTMENT FUND.

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

Approved by the Governor, May 15, 2014.