

HOUSE BILL 943

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By: **The Speaker (By Request – Maryland Economic Development and Business
Climate Commission) and Delegates Beitzel, Davis, and Jones**

Introduced and read first time: February 13, 2015

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Competitiveness and Commerce – Restructuring**

3 FOR the purpose of renaming the Department of Business and Economic Development to
4 be the Department of Economic Competitiveness and Commerce; renaming the
5 Secretary of Business and Economic Development to be the Secretary of Commerce;
6 establishing an Office of the Secretary of Commerce in the Office of the Governor;
7 specifying that the Secretary is the head of economic development policy and
8 implementation efforts in the State, a certain unit, and oversees certain units and
9 certain corporations; requiring the Governor to appoint the Secretary; specifying the
10 authority and duties of the Secretary; requiring the Secretary to appoint an
11 Executive Director; specifying the qualifications and duties of the Executive
12 Director; specifying the duties of the Department; providing that the Maryland
13 Economic Development Commission oversees the operations of the Department and
14 its units; expanding the members of the Commission; expanding the duties of the
15 Commission; transferring the Maryland Life Sciences Advisory Board from the
16 Department of Business and Economic Development to the Maryland Technology
17 Development Corporation; altering the membership of the Life Sciences Advisory
18 Board; requiring the Life Sciences Advisory Board to assist the Maryland Technology
19 Development Corporation in certain matters; transferring the Invest Maryland
20 Program and the Maryland Venture Fund Authority from the Department of
21 Business and Economic Development to the Maryland Technology Development
22 Corporation; requiring the Authority to provide advice to and consult with the
23 Maryland Technology Development Corporation concerning certain matters;
24 requiring the Maryland Technology Development Corporation to allocate certain
25 designated capital and perform other duties for the Program; altering the purpose of
26 the Maryland Technology Development Corporation; increasing the membership of
27 the Board of Directors of the Maryland Technology Development Corporation;
28 establishing the Public–Private Partnership Marketing Corporation and the Board
29 of Directors of the Corporation; providing that the Public–Private Partnership
30 Marketing Corporation is a body politic and corporate and is an instrumentality of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the State; specifying the purposes of the Public–Private Partnership Marketing
2 Corporation; specifying the duties, membership, qualifications, terms,
3 appointments, and removal of the members of the Board of the Public–Private
4 Partnership Marketing Corporation; specifying the manner in electing the chair of
5 the Board of the Public–Private Partnership Marketing Corporation; requiring the
6 Public–Private Partnership Marketing Corporation to employ an Executive Director;
7 specifying the duties of the Executive Director; providing that the Attorney General
8 is the legal advisor to the Public–Private Partnership Marketing Corporation;
9 authorizing the Public–Private Partnership Marketing Corporation to employ
10 certain staff; specifying the laws from which the Public–Private Partnership
11 Marketing Corporation is exempt and to which the Corporation is subject; specifying
12 the authority of the Public–Private Partnership Marketing Corporation; requiring
13 the Public–Private Partnership Marketing Corporation to report on certain matters
14 to certain persons on or before a certain date each year; providing that the
15 Department of Economic Competitiveness and Commerce is the successor of the
16 Department of Business and Economic Development and that the Executive Director
17 of the Department of Economic Competitiveness and Commerce is the successor of
18 the Secretary of Business and Economic Development; providing that certain names
19 and titles of a certain unit and officials in laws and other documents mean the names
20 and titles of the successor unit and officials; providing for the continuity of certain
21 matters and persons; requiring the publisher of the Annotated Code, in consultation
22 with, and subject to the approval of, the Department of Legislative Services, to make
23 certain corrections; altering certain definitions; defining certain terms; and generally
24 relating to economic development and competitiveness and the restructuring and
25 renaming of the Department of Business and Economic Development.

26 BY renumbering

27 Article – Economic Development

28 Section 2–117 through 2–123, respectively; and 2–201 through 2–207, respectively,
29 and the subtitle “Subtitle 2. Maryland Economic Development Commission”
30 to be Section 2.5–104 through 2.5–110, respectively; and 2.5–201 through 2.5–207,
31 respectively, and the subtitle “Subtitle 2. Maryland Economic Development
32 Commission”

33 Annotated Code of Maryland

34 (2008 Volume and 2014 Supplement)

35 BY repealing and reenacting, without amendments,

36 Article – Economic Development

37 Section 1–101(a) and 2–104 through 2–107, 2–109 through 2–111, 2–113, 2–115,
38 2–116, 3–205, 6–505 through 6–507, 6–520, 6–523, 9–101(a), 10–401, and
39 10–404 through 10–415

40 Annotated Code of Maryland

41 (2008 Volume and 2014 Supplement)

42 BY repealing and reenacting, with amendments,

43 Article – Economic Development

1 Section 1–101(c) and (f) to be under the amended division “Division I. Secretary of
2 Commerce and Department of Economic Competitiveness and Commerce”;
3 2–102, 2–103, 2–108, 2–112, and 2–114 to be under the amended title “Title 2.
4 Secretary of Commerce” and the amended subtitle “Subtitle 1. Office of the
5 Secretary”; 3–201 through 3–204, 6–501, 6–504, 6–508, 6–511 through 6–514,
6 6–517 through 6–519, 6–521, 6–522, 6–526 through 6–529, 9–101(c) and (e),
7 10–402, and 10–403
8 Annotated Code of Maryland
9 (2008 Volume and 2014 Supplement)

10 BY repealing
11 Article – Economic Development
12 Section 2–101
13 Annotated Code of Maryland
14 (2008 Volume and 2014 Supplement)

15 BY adding to
16 Article – Economic Development
17 Section 2–101; and 10–901 through 10–911 to be under the new subtitle “Subtitle 9.
18 Public–Private Partnership Marketing Corporation”
19 Annotated Code of Maryland
20 (2008 Volume and 2014 Supplement)

21 BY adding to
22 Article – Economic Development
23 Section 2.5–101, 2.5–102, and 2.5–103 to be under the new title “Title 2.5.
24 Department of Economic Competitiveness and Commerce”
25 Annotated Code of Maryland
26 (2008 Volume and 2014 Supplement)
27 (As enacted by Section 1 of this Act)

28 BY repealing and reenacting, without amendments,
29 Article – Economic Development
30 Section 2.5–105, 2.5–107, 2.5–108, 2.5–109, 2.5–201, 2.5–205, and 2.5–207
31 Annotated Code of Maryland
32 (2008 Volume and 2014 Supplement)
33 (As enacted by Section 1 of this Act)

34 BY repealing and reenacting, with amendments,
35 Article – Economic Development
36 Section 2.5–104, 2.5–106, 2.5–110, 2.5–202, 2.5–203, 2.5–204, and 2.5–206
37 Annotated Code of Maryland
38 (2008 Volume and 2014 Supplement)
39 (As enacted by Section 1 of this Act)

40 BY repealing and reenacting, without amendments,
41 Article – State Government

1 Section 8–201(a)
2 Annotated Code of Maryland
3 (2014 Replacement Volume)

4 BY repealing and reenacting, with amendments,
5 Article – State Government
6 Section 8–201(b)(4)
7 Annotated Code of Maryland
8 (2014 Replacement Volume)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That Section(s) 2–117 through 2–123, respectively; and 2–201 through 2–207, respectively,
11 and the subtitle “Subtitle 2. Maryland Economic Development Commission” of Article –
12 Economic Development of the Annotated Code of Maryland be renumbered to be Section(s)
13 2.5–104 through 2.5–110, respectively; and 2.5–201 through 2.5–207, respectively, and the
14 subtitle “Subtitle 2. Maryland Economic Development Commission”.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
16 as follows:

17 **Article – Economic Development**

18 Division I. [Department of Business and Economic Development.] **SECRETARY OF**
19 **COMMERCE AND DEPARTMENT OF ECONOMIC COMPETITIVENESS AND**
20 **COMMERCE.**

21 1–101.

22 (a) In this division the following words have the meanings indicated.

23 (c) “Department” means the Department of [Business and Economic
24 Development] **ECONOMIC COMPETITIVENESS AND COMMERCE.**

25 (f) “Secretary” means the Secretary of [Business and Economic Development]
26 **COMMERCE.**

27 Title 2. [Department of Business and Economic Development.] **SECRETARY OF**
28 **COMMERCE.**

29 Subtitle 1. [Organization and General Authority of Department.] **OFFICE OF THE**
30 **SECRETARY.**

31 [2–101.

32 There is a Department of Business and Economic Development, which is a principal
33 department of the State government.]

1 2-101.

2 (A) THERE IS AN OFFICE OF THE SECRETARY OF COMMERCE IN THE
3 OFFICE OF THE GOVERNOR.

4 (B) THE HEAD OF THE OFFICE IS THE SECRETARY.

5 (C) (1) THE SECRETARY IS THE HEAD OF ECONOMIC DEVELOPMENT
6 POLICY AND IMPLEMENTATION EFFORTS IN THE STATE.

7 (2) THE SECRETARY IS THE HEAD OF AND IS RESPONSIBLE FOR THE
8 OPERATIONS OF THE DEPARTMENT OF ECONOMIC COMPETITIVENESS AND
9 COMMERCE ESTABLISHED UNDER TITLE 2.5 OF THIS ARTICLE.

10 (D) (1) THE SECRETARY ALSO OVERSEES THE OPERATIONS OF:

11 (I) THE MARYLAND TECHNOLOGY DEVELOPMENT
12 CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE 4 OF THIS ARTICLE; AND

13 (II) THE MARYLAND PUBLIC-PRIVATE PARTNERSHIP
14 MARKETING CORPORATION ESTABLISHED UNDER TITLE 10, SUBTITLE 9 OF THIS
15 ARTICLE.

16 (2) NOTHING IN THIS SUBSECTION MAY BE CONSTRUED TO LIMIT THE
17 INDEPENDENCE OR OPERATIONS OF THESE CORPORATIONS.

18 2-102.

19 (a) [(1)] The Governor shall appoint the Secretary of [Business and Economic
20 Development] COMMERCE with the advice and consent of the Senate.

21 [(2) The Secretary is the head of the Department.]

22 (b) Before taking office, the appointee shall take the oath required by Article I, §
23 9 of the Maryland Constitution.

24 (c) (1) The Secretary serves at the pleasure of the Governor and is responsible
25 directly to the Governor.

26 (2) The Secretary shall advise the Governor on all matters assigned to the
27 [Department] THE UNITS UNDER THE JURISDICTION OF THE SECRETARY and is
28 responsible for carrying out the Governor's policies on matters assigned to the
29 [Department] THE UNITS UNDER THE JURISDICTION OF THE SECRETARY.

1 (d) The Secretary is entitled to the compensation provided in the State budget.
2 2–103.

3 (a) The Secretary[:

4 (1) is responsible for the operation of the Department; and

5 (2)] shall:

6 (1) CONSULT WITH AND ADVISE SECRETARIES OF OTHER PRINCIPAL
7 DEPARTMENTS ON COORDINATION OF THE ACTIVITIES OF THE DEPARTMENTS THAT
8 RELATE TO ECONOMIC DEVELOPMENT POLICY AND IMPLEMENTATION EFFORTS IN
9 THE STATE;

10 (2) establish guidelines and procedures to promote the orderly and efficient
11 administration of the Department; AND

12 (3) MONITOR THE ACTIVITIES OF AND COORDINATE POLICY FOR:

13 (I) THE MARYLAND TECHNOLOGY DEVELOPMENT
14 CORPORATION; AND

15 (II) MARYLAND PUBLIC–PRIVATE PARTNERSHIP MARKETING
16 CORPORATION.

17 (b) The Secretary may establish, reorganize, or abolish areas of responsibility in
18 the office of the Secretary as necessary to fulfill effectively the duties assigned to the
19 Secretary.

20 2–104.

21 The Secretary shall have a seal.

22 2–105.

23 (a) With the approval of the Governor, the Secretary shall appoint a deputy
24 secretary.

25 (b) The deputy secretary:

26 (1) serves at the pleasure of the Secretary; and

27 (2) is entitled to the compensation provided in the State budget.

1 (c) The deputy secretary shall have the duties provided by law or delegated by
2 the Secretary.

3 2–106.

4 (a) In accordance with the State budget, the Secretary may employ a staff and
5 retain professional consultants in the office of the Secretary.

6 (b) The Secretary may designate a staff assistant to be in charge of a particular
7 area of responsibility in the office of the Secretary.

8 (c) (1) Each staff assistant in the office of the Secretary in charge of a
9 particular area of responsibility and each professional consultant is appointed by and
10 serves at the pleasure of the Secretary.

11 (2) Unless otherwise provided by law, the Secretary shall appoint and
12 remove all other employees in the office of the Secretary in accordance with the provisions
13 of the State Personnel and Pensions Article that govern skilled service or professional
14 service employees with the exception of special appointments.

15 2–107.

16 (a) The appointment or removal of personnel by a unit under the jurisdiction of
17 the Department is subject to the approval of the Secretary.

18 (b) The Secretary may delegate the approval authority under subsection (a) of
19 this section to the head or governing body of the unit.

20 2–108.

21 (a) The Secretary shall adopt regulations for the office of the Secretary.

22 (b) (1) Subject to § [2–206] **2.5–206** of this [title] **ARTICLE**, the Secretary
23 shall review regulations of a unit under the jurisdiction of the Department.

24 (2) The Secretary may approve, disapprove, or revise regulations of a unit.

25 2–109.

26 The Secretary is responsible for the budget of the office of the Secretary and for the
27 budget of each unit under the jurisdiction of the Department.

28 2–110.

29 (a) The Secretary is responsible for the coordination and direction of all planning
30 activities that the office of the Secretary initiates.

1 (b) The Secretary shall keep fully apprised of and may approve, disapprove, or
2 modify the plans, proposals, and projects of units under the jurisdiction of the Department.

3 2-111.

4 The Secretary may not remove an appointee to a particular office in the Department
5 without first obtaining the Governor's approval if the law provides that:

6 (1) the Secretary is required to make the appointment with the consent of
7 the Governor; and

8 (2) the appointee:

9 (i) serves at the pleasure of the Secretary; or

10 (ii) may be removed by the Secretary with or without cause.

11 2-112.

12 The Secretary may call a meeting of any unit under the jurisdiction of the
13 [Department] **SECRETARY** to consider any subject.

14 2-113.

15 (a) This section does not apply to a power, duty, responsibility, or function that is
16 granted to the Maryland Economic Development Commission under Subtitle 2 of this title.

17 (b) The Secretary may exercise any power, duty, responsibility, or function of any
18 unit under the jurisdiction of the Department.

19 2-114.

20 Except as otherwise provided by law, each unit under the jurisdiction of the
21 [Department] **SECRETARY** shall report to the Secretary or to the Secretary's designee as
22 provided in the regulations or written directives of the Secretary.

23 2-115.

24 (a) In accordance with the State budget, the Secretary may set the compensation
25 of a Department employee in a position that:

26 (1) is unique to the Department;

27 (2) requires specific skills or experience to perform the duties of the
28 position; and

1 (3) does not require the employee to perform functions that are comparable
2 to functions performed in other units of the Executive Branch of State government.

3 (b) The Secretary of Budget and Management shall determine:

4 (1) position categories for special appointments in the Department; and

5 (2) in consultation with the Secretary, the positions for which the Secretary
6 may set compensation under subsection (a) of this section.

7 2-116.

8 (a) This section does not apply to a unit under the jurisdiction of the Department
9 to the extent that the unit is authorized by law to employ its own legal counsel.

10 (b) The Attorney General is the legal adviser to the Department.

11 (c) The Attorney General shall assign to the Department the number of assistant
12 Attorneys General that are authorized by law for the Department and its units.

13 (d) (1) The Attorney General shall designate one of the assistant Attorneys
14 General assigned to the Department as counsel to the Department and may not reassign
15 that individual without consulting with the Secretary.

16 (2) The counsel may only:

17 (i) advise the Secretary, the Maryland Economic Development
18 Commission, and any other official of the Department as they require;

19 (ii) supervise the other assistant Attorneys General assigned to the
20 Department; and

21 (iii) perform for the Department the other duties that the Attorney
22 General assigns.

23 (3) The other assistant Attorneys General shall perform for the
24 Department the other duties that the Attorney General assigns.

25 **TITLE 2.5. DEPARTMENT OF ECONOMIC COMPETITIVENESS AND COMMERCE.**

26 **SUBTITLE 1. ORGANIZATION AND GENERAL AUTHORITY OF THE DEPARTMENT.**

27 **2.5-101.**

28 **(A) THERE IS A DEPARTMENT OF ECONOMIC COMPETITIVENESS AND**
29 **COMMERCE.**

1 **(B) THE DEPARTMENT IS A PRINCIPAL DEPARTMENT OF STATE**
2 **GOVERNMENT.**

3 **2.5-102.**

4 **THE SECRETARY:**

5 **(1) IS THE HEAD OF THE DEPARTMENT; AND**

6 **(2) IS RESPONSIBLE FOR THE OPERATIONS OF THE DEPARTMENT.**

7 **2.5-103.**

8 **(A) (1) THE SECRETARY SHALL EMPLOY AN EXECUTIVE DIRECTOR.**

9 **(2) THE EXECUTIVE DIRECTOR:**

10 **(I) SERVES AT THE PLEASURE OF THE SECRETARY; AND**

11 **(II) IS ENTITLED TO COMPENSATION PROVIDED IN THE STATE**
12 **BUDGET.**

13 **(B) (1) THE EXECUTIVE DIRECTOR SHALL MANAGE THE OPERATIONS OF**
14 **THE DEPARTMENT ON BEHALF OF THE SECRETARY.**

15 **(2) THE EXECUTIVE DIRECTOR:**

16 **(I) SHALL ADVISE THE SECRETARY ON ALL MATTERS ASSIGNED**
17 **TO THE DEPARTMENT; AND**

18 **(II) IS RESPONSIBLE FOR CARRYING OUT THE SECRETARY'S**
19 **POLICIES ON MATTERS ASSIGNED TO THE DEPARTMENT.**

20 **(C) THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND**
21 **POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE**
22 **DEPARTMENT.**

23 **2.5-104.**

24 **(a) Except as otherwise provided by law, the Secretary:**

25 **(1) shall determine the organizational structure of the Department; and**

1 (2) may create or abolish units in the Department.

2 (b) (1) The Governor or the Secretary may establish advisory or
3 decision-making units for the Department.

4 (2) The units shall advise and assist the Secretary on the policies,
5 programs, and activities of the Department.

6 (3) The Governor or the Secretary shall determine the size, qualifications,
7 method of appointment, terms, compensation, manner of removal, and method of filling
8 vacancies of the units.

9 **(C) (1) THE SECRETARY SHALL ESTABLISH REGIONAL OFFICES IN THE**
10 **LOCAL JURISDICTIONS.**

11 **(2) THE REGIONAL OFFICES SHALL ADVISE THE SECRETARY ON**
12 **WHETHER THE ECONOMIC NEEDS OF EACH LOCAL JURISDICTION ARE BEING**
13 **ADDRESSED.**

14 2.5-105.

15 To attract and encourage business development and serve the needs of business, the
16 Department shall:

17 (1) advance the economic welfare of the public through programs and
18 activities that develop in a proper manner the natural resources and economic
19 opportunities of the State;

20 (2) promote and encourage the location and creation of new industries and
21 businesses in the State and encourage the retention and expansion of existing industries;

22 (3) support the creation of new businesses and the growth of existing
23 businesses in the State by improving their quality, productivity, and competitive position
24 in the global marketplace;

25 (4) assist the growth and revitalization of small businesses;

26 (5) support the growth of the State and regional economies by providing
27 consulting, technical assistance, and liaison activities on business and economic
28 development issues;

29 (6) promote the development of international trade activities;

30 (7) assist businesses and employees through training and other
31 employment services;

1 (8) promote regulatory reform and coordinate efforts with other State and
2 local units; and

3 (9) foster and develop employment opportunities for residents of the State.

4 2.5–106.

5 The Department shall:

6 (1) investigate and assemble information about the economic development,
7 industrial opportunities, and economic resources of the State, including raw materials,
8 power and water resources, transportation facilities, markets, labor, banking and financing
9 facilities, industrial sites, and other fields of research;

10 (2) encourage location and development of new businesses in the State and
11 the retention and expansion of present enterprises in coordination with local governments
12 and local economic development units;

13 (3) encourage formation of local and sectional development committees and
14 cooperate with local civic groups and other local, State, and federal development units;

15 (4) disseminate information in the interest of industrial development in the
16 State, by publication, advertising, and other means;

17 (5) assist businesses in the areas of technology development and
18 commercialization, small business development, workforce development and productivity,
19 manufacturing modernization, and defense conversion;

20 (6) serve as an ombudsman for businesses affected by State policies and
21 programs;

22 (7) coordinate business assistance service delivery to individual companies;

23 (8) link groups of businesses to address regional and industry specific
24 needs;

25 (9) broker information exchange and entrepreneurial services that
26 enhance economic development through partnerships with businesses, not-for-profit
27 organizations, professional groups, local economic development entities, and local
28 governments;

29 (10) assist in developing and conducting regional strategic planning and
30 coordinating State investments with regional economic development entities;

31 (11) collect and assemble information and data available from other State
32 units;

1 (12) monitor economic conditions, release reports, and maintain
2 interindustry models of State regulations and local economies;

3 (13) use community colleges in the State to help deliver services;

4 (14) administer the programs in the Department; [and]

5 (15) coordinate its efforts and activities with the Apprenticeship and
6 Training Council and Apprenticeship and Training Program in the Department of Labor,
7 Licensing, and Regulation;

8 **(16) ESTABLISH AND MONITOR PERFORMANCE MEASURES TO**
9 **DETERMINE THE SUCCESS OF OUTREACH EFFORTS TO BUSINESSES; AND**

10 **(17) FACILITATE REGULAR MEETINGS AMONG ITS REGIONAL EXPERTS,**
11 **FINANCIAL INCENTIVE TEAM, AND TOURISM DEVELOPMENT TEAM TO DETERMINE**
12 **THE SUCCESS IN MEETING OVERALL ECONOMIC DEVELOPMENT STRATEGIC GOALS**
13 **AND IN ADDRESSING THE ECONOMIC DEVELOPMENT NEEDS OF EACH REGION.**

14 2.5–107.

15 (a) The Department shall support industry–led regional technology councils that
16 help private enterprises attempting to establish or expand manufacturing and
17 technology–based businesses.

18 (b) The Department may:

19 (1) select an entity as the regional technology council for a particular
20 region; and

21 (2) determine the geographic areas that constitute a region for purposes of
22 this section.

23 (c) The Department may support a regional technology council through grants,
24 loans, in–kind assistance, advice, or other assistance.

25 2.5–108.

26 (a) To the extent practicable, the Department shall use pertinent data obtained
27 from units of the State when collecting and assembling information.

28 (b) Except to the extent that disclosure is prohibited by law, the Department has
29 access to all records, data, information, and statistics of other units of the State.

30 2.5–109.

1 (a) The Department may establish a consolidated publications account.

2 (b) The Department may place in the account excess revenues that remain at the
3 end of the fiscal year that are derived from publications of the Department or its units.

4 (c) The Department may only use the account to produce, distribute, and promote
5 publications, including free publications, of the Department and its units.

6 (d) (1) Any unexpended money in the account at the end of a fiscal year not
7 exceeding \$40,000:

8 (i) does not revert to the General Fund of the State; but

9 (ii) shall be maintained as a special fund.

10 (2) Any unexpended money in the account at the end of a fiscal year
11 exceeding \$40,000 reverts to the General Fund under § 7–302 of the State Finance and
12 Procurement Article.

13 2.5–110.

14 (a) In this section, “economic development program” means:

15 (1) each of the economic development and financial assistance programs
16 established under Title 5 of this article; and

17 (2) each of the tax credit programs administered by the Department,
18 including:

19 (i) the Film Production Activity Tax Credit;

20 (ii) the Job Creation Tax Credit;

21 (iii) the One Maryland Economic Development Tax Credit;

22 (iv) [the Invest Maryland Program;

23 (v)] the Biotechnology Investment Incentive Tax Credit; and

24 [(vi)] (v) the Research and Development Tax Credit.

25 (b) The Department shall compile data in accordance with this section on the
26 economic development programs administered by the Department.

27 (c) On or before December 31, 2013, and each year thereafter, the Department
28 shall submit a report on the economic development programs that were administered by

1 the Department during the previous fiscal year to the Governor and, in accordance with §
2 2–1246 of the State Government Article, the General Assembly.

3 (d) (1) The report required under this section shall include the following data,
4 if applicable, on the economic development programs administered by the Department:

5 (i) the number of jobs created;

6 (ii) the number of jobs retained;

7 (iii) the estimated amount of State revenue generated; and

8 (iv) any additional information required by the Department through
9 regulations.

10 (2) The report required under this section shall include data in the
11 aggregate and disaggregated by:

12 (i) each economic development program; and

13 (ii) each recipient of assistance from an economic development
14 program.

15 (e) If a recipient of assistance from an economic development program is not
16 meeting the requirements of the economic development program, the Department shall
17 implement a process to assist the recipient in meeting the program requirements.

18 2.5–201.

19 In this subtitle, “Commission” means the Maryland Economic Development
20 Commission.

21 2.5–202.

22 (a) There is a Maryland Economic Development Commission in the Department.

23 (b) The purpose of the Commission is to:

24 (1) establish economic development policy in the State; and

25 (2) oversee the **OPERATIONS OF THE DEPARTMENT AND ITS UNITS,**
26 **INCLUDING THE** Department’s efforts to support the creation of, attract, and retain
27 businesses and jobs.

28 2.5–203.

1 (a) (1) (i) The Commission consists of:

2 1. not more than 25 voting members appointed by the
3 Governor with the advice and consent of the Senate;

4 2. A. ONE MEMBER OF THE SENATE OF MARYLAND,
5 DESIGNATED BY THE PRESIDENT OF THE SENATE; AND

6 B. ONE MEMBER OF THE HOUSE OF DELEGATES,
7 DESIGNATED BY THE SPEAKER OF THE HOUSE[.]; AND

8 3. THE FOLLOWING REPRESENTATIVES OF STATE
9 UNITS:

10 A. THE EXECUTIVE DIRECTOR OF THE MARYLAND
11 TECHNOLOGY DEVELOPMENT CORPORATION, OR THE EXECUTIVE DIRECTOR'S
12 DESIGNEE;

13 B. THE SECRETARY OF HOUSING AND COMMUNITY
14 DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

15 C. THE SECRETARY OF LABOR, LICENSING, AND
16 REGULATION, OR THE SECRETARY'S DESIGNEE;

17 D. THE ADMINISTRATOR OF THE STATE HIGHWAY
18 ADMINISTRATION OR THE ADMINISTRATOR'S DESIGNEE; AND

19 E. THE SECRETARY OF THE ENVIRONMENT OR THE
20 SECRETARY'S DESIGNEE.

21 (ii) The Secretary [is a], STATE UNIT REPRESENTATIVES, AND
22 MEMBERS OF THE GENERAL ASSEMBLY ARE nonvoting ex officio [member] MEMBERS
23 of the Commission.

24 (III) A DESIGNEE UNDER SUBPARAGRAPH (I)3 OF THIS
25 PARAGRAPH MAY BE AN ADMINISTRATOR OR A SENIOR OFFICIAL OF THE UNIT.

26 (2) The geographic representation of the Commission shall cover the entire
27 State and shall include at least one representative from:

28 (i) the upper Eastern Shore;

29 (ii) the lower Eastern Shore;

1 (iii) Calvert County, Charles County, or St. Mary's County;

2 (iv) Allegany County or Garrett County; and

3 (v) Carroll County, Frederick County, or Washington County.

4 (3) When appointing Commission members, the Governor shall consider
5 geographic and industry representation.

6 (4) The members appointed shall reflect the racial and gender diversity of
7 the population of the State.

8 (b) The appointed members of the Commission shall have substantial interest or
9 experience in business or knowledge of business and economic development.

10 (c) The Commission and its members are subject to the Maryland Public Ethics
11 Law.

12 (d) (1) The term of an appointed member is 3 years.

13 (2) At the end of a term, [a] **AN APPOINTED** member continues to serve
14 until a successor is appointed and qualifies.

15 (3) A member appointed after a term has begun serves only for the
16 remainder of the term and until a successor is appointed and qualifies.

17 (4) The terms of the **APPOINTED** members are staggered as required by
18 the terms provided for members of the Commission on October 1, 2008.

19 (5) A member may be removed by the Governor with or without cause.

20 2.5–204.

21 (a) The Governor shall designate a chair or co–chairs from the voting members of
22 the Commission.

23 (b) The Commission may elect an executive committee **OR FORM SPECIAL**
24 **SUBCOMMITTEES** from its members to exercise the powers and functions of the
25 Commission between meetings of the Commission.

26 2.5–205.

27 (a) (1) The Commission shall meet as often as its duties require, but not less
28 than quarterly.

29 (2) The chair or co–chairs shall designate a time and place for meetings of
30 the Commission.

- 1 (b) A majority of the voting members of the Commission is a quorum.
- 2 (c) A voting member of the Commission:
- 3 (1) may not receive compensation as a member of the Commission; but
- 4 (2) is entitled to reimbursement in accordance with the Standard State
5 Travel Regulations as provided in the State budget.
- 6 (d) The Department shall provide staff support to the Commission.
- 7 2.5–206.
- 8 (a) The Commission may:
- 9 (1) adopt bylaws for the conduct of its business;
- 10 (2) hire consultants; and
- 11 (3) do anything necessary or convenient to carry out its powers and the
12 purposes of this subtitle.
- 13 (b) The Commission shall:
- 14 (1) develop and update an economic development strategic plan for the
15 State;
- 16 (2) seek ideas and advice from each region of the State to develop the
17 economic development strategic plan;
- 18 (3) incorporate into the economic development strategic plan the Maryland
19 Port Administration strategic plan developed for the Helen Delich Bentley Port of
20 Baltimore;
- 21 (4) recommend to the Governor **AND THE SECRETARY** the program and
22 spending priorities needed to implement the economic development strategic plan;
- 23 (5) review the allocation of financing incentives;
- 24 (6) participate in [marketing the State and] encouraging new businesses
25 to locate in the State;
- 26 (7) seek contributions from the private sector to supplement economic
27 development programs and financial incentives to business; [and]

1 **(8) CONDUCT PERIODIC REVIEWS OF THE ECONOMIC DEVELOPMENT**
2 **ACTIVITIES OF THE DEPARTMENT FOR COMPLIANCE WITH THE ECONOMIC**
3 **DEVELOPMENT STRATEGIC PLAN;**

4 **(9) MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE**
5 **SECRETARY TO IMPROVE ECONOMIC DEVELOPMENT ACTIVITIES THAT FAIL TO**
6 **ACHIEVE ECONOMIC DEVELOPMENT STRATEGIC GOALS OR ARE INCONSISTENT WITH**
7 **PRIORITIES UNDER THE ECONOMIC DEVELOPMENT STRATEGIC PLAN; AND**

8 **[(8)] (10)** carry out other economic development activities that the
9 Governor **OR THE SECRETARY** requests.

10 (c) The Commission may spend money raised under subsection (b) of this section
11 only in accordance with the State budget.

12 (d) Departmental regulations that pertain to financing programs shall be
13 approved by the Commission before adoption.

14 **(E) THE DEPARTMENT MAY NOT SUBMIT A BUDGET REQUEST BEFORE THE**
15 **COMMISSION REVIEWS THE REQUEST.**

16 2.5–207.

17 (a) On or before January 15 of each year, the Commission shall report to the
18 General Assembly, in accordance with § 2–1246 of the State Government Article, on its
19 activities during the previous year.

20 (b) The report shall include a review of initiatives taken by the Commission and
21 the Department to implement the economic development strategic plan.

22 3–201.

23 (a) In this subtitle the following words have the meanings indicated.

24 (b) “Advisory Board” means the Maryland Life Sciences Advisory Board.

25 (c) **“CORPORATION” MEANS THE MARYLAND TECHNOLOGY**
26 **DEVELOPMENT CORPORATION.**

27 **(D)** “Life sciences” includes the fields of biotechnology, pharmaceuticals,
28 biomedical technologies, life systems technologies, food sciences, environmental sciences,
29 and biomedical devices.

30 3–202.

1 (a) There is a Maryland Life Sciences Advisory Board in the [Department]
2 **CORPORATION.**

3 (b) The purpose of the Advisory Board is to recommend State and federal policies,
4 priorities, practices, and legislation to expedite the creation of private sector jobs through
5 the commercialization of life sciences research.

6 3–203.

7 (a) The Advisory Board consists of the following 18 members:

8 (1) the Secretary;

9 (2) [a representative] **THE EXECUTIVE DIRECTOR** of the [Maryland
10 Technology Development] Corporation, [designated by the Maryland Technology
11 Development Corporation] **OR THE EXECUTIVE DIRECTOR’S DESIGNEE**; and

12 (3) the following members appointed by the Governor:

13 (i) three representing federal agencies located in the State with life
14 sciences missions;

15 (ii) seven with executive experience in life sciences businesses
16 located in the State, at least four of whom represent small businesses;

17 (iii) four representing institutions of higher education located in the
18 State, one of whom shall represent a community college;

19 (iv) one with general business marketing experience in a life sciences
20 business located in the State; and

21 (v) one member of the general public.

22 (b) The composition of the Advisory Board shall reflect the racial and gender
23 diversity of the population of the State.

24 (c) (1) Except for the Secretary **AND THE EXECUTIVE DIRECTOR OF THE**
25 **CORPORATION OR THE EXECUTIVE DIRECTOR’S DESIGNEE**, the term of an Advisory
26 Board member is 2 years.

27 (2) At the end of a term, a member continues to serve until a successor is
28 appointed and qualifies.

29 (3) A member who is appointed after a term has begun serves only for the
30 rest of the term and until a successor is appointed and qualifies.

1 (d) The Governor may remove a member of the Advisory Board for incompetence,
2 misconduct, or failure to perform the duties of the position.

3 (e) The Governor shall select a chair from among the members of the Advisory
4 Board.

5 (f) The Advisory Board may act with an affirmative vote of eight members.

6 (g) A member of the Advisory Board:

7 (1) may not receive compensation as a member of the Advisory Board; but

8 (2) is entitled to reimbursement for expenses under the Standard State
9 Travel Regulations, as provided in the State budget.

10 3–204.

11 (a) The Advisory Board shall assist the [Department] CORPORATION in:

12 (1) developing a comprehensive State strategic plan for life sciences;

13 (2) promoting life sciences research, development, commercialization, and
14 manufacturing in the State;

15 (3) promoting collaboration and coordination among life sciences
16 organizations in the State;

17 (4) promoting collaboration and coordination among research institutions
18 of higher education in the State;

19 (5) developing a strategy to coordinate State and federal resources to
20 attract private sector investment and job creation in the life sciences;

21 (6) developing a strategy to support federal life sciences facilities located
22 in the State, including support for education, transportation, housing, and capital
23 investment needs; and

24 (7) making recommendations to address critical needs in the life sciences,
25 including access to venture capital and capital construction funding.

26 (b) In performing its duties, the Advisory Board shall give due consideration to
27 the business, scientific, medical, and ethical aspects of the life sciences industry.

28 3–205.

1 (a) The Advisory Board shall report to the Governor and, in accordance with §
2 2–1246 of the State Government Article, to the General Assembly on or before December
3 15 of each year.

4 (b) The report shall include any recommendations from the Advisory Board and
5 a summary of the activities of the Advisory Board during the preceding year.
6 6–501.

7 (a) In this subtitle the following words have the meanings indicated.

8 (b) (1) “Affiliate” means:

9 (i) a person who, directly or indirectly, beneficially owns, controls,
10 or holds power to vote 15% or more of the outstanding voting securities or other voting
11 ownership interests of a venture firm or an insurance company; or

12 (ii) a person, 15% or more of whose outstanding voting securities or
13 other voting ownership interests is directly or indirectly beneficially owned, controlled, or
14 held with power to vote by a venture firm or an insurance company.

15 (2) “Affiliate” does not include an insurance company that becomes a
16 purchaser in accordance with an allocation of investment tax credits under the Program
17 solely by reason of the allocation.

18 (c) “Allocation amount” means the total amount of tax credits allocated to a
19 purchaser.

20 (d) “Allocation date” means the date on which tax credits are allocated to a
21 purchaser under § 6–513 of this subtitle.

22 (e) “Authority” means the Maryland Venture Fund Authority established under
23 § 6–504 of this subtitle.

24 (f) **“CORPORATION” MEANS THE MARYLAND TECHNOLOGY**
25 **DEVELOPMENT CORPORATION.**

26 (g) “Designated capital” means the amount of money that a purchaser invests
27 under the Program.

28 [(g)] (h) “Enterprise Fund” means the Enterprise Fund under Title 5, Subtitle 6
29 of this article.

30 [(h)] (i) “Financing Authority” means the Maryland Small Business
31 Development Financing Authority under Title 5, Subtitle 5 of this article.

1 **[(i)] (J)** “Insurance premium tax liability” means:

2 (1) any liability incurred by an insurance company under Title 6, Subtitle
3 1 of the Insurance Article as of October 1, 2011; or

4 (2) if the liability referred to in item (1) of this subsection is eliminated or
5 reduced, any other tax liability that has been imposed by the State on the insurance
6 company as of October 1, 2011, not to exceed the amount of the liability eliminated or
7 reduced.

8 **[(j)] (K)** “Premium tax credit” means a credit against insurance premium tax
9 liability offered to a purchaser under the Program.

10 **[(k)] (L)** “Program” means the Invest Maryland Program under this subtitle.

11 **[(l)] (M)** “Purchaser” means:

12 (1) an insurance company that:

13 (i) is authorized to do business in the State;

14 (ii) has insurance premium tax liability; and

15 (iii) contributes designated capital to purchase an allocation of
16 premium tax credits under the Program; or

17 (2) a holding company that:

18 (i) has at least one insurance company subsidiary authorized to do
19 business in the State; and

20 (ii) is contributing designated capital on behalf of one or more of
21 these subsidiaries.

22 **[(m)] (N)** “Qualified business” means a business that, at the time of the first
23 investment in the business under the Program:

24 (1) has its principal business operations located in the State and intends to
25 maintain its principal business operations in the State after receiving an investment under
26 the Program;

27 (2) has agreed to use the qualified investment primarily to:

28 (i) support business operations in the State; or

29 (ii) in the case of a start-up company, establish and support business
30 operations in the State;

1 (3) has not more than 250 employees; and

2 (4) is not primarily engaged in:

3 (i) retail sales;

4 (ii) real estate development;

5 (iii) the business of insurance, banking, or lending; or

6 (iv) the provision of professional services by accountants, attorneys,
7 or physicians.

8 **[(n)] (O)** (1) “Qualified distribution” means a distribution or payment by a
9 venture firm of the State’s proportionate allocation of costs in connection with:

10 (i) the reasonable costs and expenses of organizing and syndicating
11 the venture firm, including fees paid for professional services, up to a maximum aggregate
12 amount of \$125,000;

13 (ii) reasonable and necessary fees paid for ongoing professional
14 services, including legal and accounting services, related to the operation of the venture
15 firm, up to a maximum aggregate amount of \$50,000 in a single year; and

16 (iii) a yearly management fee in an amount that does not exceed 2.5%
17 of the designated capital allocated to the venture firm.

18 (2) “Qualified distribution” does not include any costs and expenses related
19 to lobbying or government relations.

20 **[(o)] (P)** (1) “Qualified investment” means the direct or indirect investment
21 of cash by the Enterprise Fund or the Financing Authority in a qualified business for the
22 purchase of any of the following:

23 (i) a share of stock or other equity interest;

24 (ii) a debt instrument that is convertible into equity; or

25 (iii) an equity participation instrument such as an option or warrant.

26 (2) A qualified investment includes the direct or indirect investment of
27 cash by a venture firm based on the investment criteria set forth in this subtitle.

28 **[(p)] (Q)** “Side car affiliate” means an entity controlled by or under common
29 control with a venture firm that is formed solely for the purpose of investing alongside the
30 venture firm.

1 [(q)] (R) “Venture firm” means a partnership, corporation, trust, or limited
2 liability company, whether organized on a profit or a not-for-profit basis, that is certified
3 by the [Department] CORPORATION as meeting the criteria established under § 6-518 of
4 this subtitle.

5 6-504.

6 There is a Maryland Venture Fund Authority in the [Department] CORPORATION.

7 6-505.

8 (a) The Authority consists of the following nine members:

9 (1) seven members appointed by the Governor with the advice and consent
10 of the Senate;

11 (2) one member appointed by the President of the Senate; and

12 (3) one member appointed by the Speaker of the House.

13 (b) (1) Of the seven members appointed by the Governor:

14 (i) 1. at least four shall have experience in working with
15 companies that have raised investment capital for seed-stage to venture-stage companies
16 or in providing professional services to the venture capital industry; and

17 2. one of the four members selected under item 1 of this item
18 shall have experience in higher education research and development and technology
19 transfer projects;

20 (ii) at least one shall have experience as a small business owner;

21 (iii) at least one shall have experience as a business executive that
22 has raised venture capital investments; and

23 (iv) at least one shall be a resident of a rural county in the State.

24 (2) The Governor shall consider the geographic diversity of the State when
25 appointing members.

26 (c) The members appointed by the President and the Speaker:

27 (1) may not be elected officials; and

28 (2) shall have experience and expertise in venture capital investments.

1 (d) Each member shall be a resident of the State.

2 (e) (1) The term of a member is 4 years.

3 (2) At the end of a term, a member continues to serve until a successor is
4 appointed.

5 (3) A member who is appointed after a term has begun serves only for the
6 rest of the term and until a successor is appointed.

7 (4) A member appointed by the Governor may be removed by the Governor
8 with or without cause.

9 (5) The terms of the members are staggered as required by the terms
10 provided for members of the Authority on July 1, 2011.

11 (f) A member of the Authority may not have any financial interest in a purchaser,
12 qualified business, or venture firm.

13 6-506.

14 (a) The Governor shall appoint a chair from among the members.

15 (b) The Authority shall determine the manner of election of officers and their
16 terms of office.

17 6-507.

18 (a) (1) Five members of the Authority are a quorum.

19 (2) An act of the Authority must be approved by a majority vote of the
20 members attending a meeting at which a quorum is present.

21 (b) A member of the Authority:

22 (1) may not receive compensation as a member of the Authority; but

23 (2) is entitled to reimbursement for expenses under the Standard State
24 Travel Regulations, as provided in the State budget.

25 (c) A member of the Authority shall file a public disclosure of financial interests
26 as required under the Maryland Public Ethics Law.

27 6-508.

28 The Authority shall provide advice to and consult with the [Department]
29 CORPORATION in connection with the administration of the Program under this subtitle.

1 6-511.

2 (a) All designated capital from purchasers shall be deposited into the Enterprise
3 Fund to be invested as provided in this subtitle.

4 (b) The [Department] CORPORATION shall allocate designated capital as
5 follows:

6 (1) 67% to one or more venture firms to fund the making of qualified
7 investments based on the criteria set forth in this subtitle, provided, that not more than
8 20% of this amount may be invested in the side car fund affiliates of the venture firms; and

9 (2) 33% to the Enterprise Fund, to be allocated:

10 (i) \$250,000 to the Rural Maryland Council for its operational
11 expenses;

12 (ii) 75% of the remaining amount to fund the making of qualified
13 investments in qualified businesses under the existing policies and procedures of the
14 Enterprise Fund under Title 5, Subtitle 6 of this article; and

15 (iii) 25% of the remaining amount to the Financing Authority Equity
16 Participation Investment Program, to be invested in qualified businesses in accordance
17 with the policies and procedures of the Financing Authority under Title 5, Subtitle 5, Part
18 V of this article.

19 (c) It is the goal of the State that a portion of the designated capital received
20 under subsection (b)(2)(ii) of this section be used to make qualified investments in qualified
21 businesses located in rural areas of the State.

22 (d) As soon as practicable after the [Department] CORPORATION receives each
23 installment of designated capital, the [Department] CORPORATION and each venture firm
24 that has been allocated designated capital shall enter into a contract under which the
25 allocated amount of designated capital will be transferred by the [Department]
26 CORPORATION to the venture firm for investment as provided in this subtitle.

27 (e) The [Department] CORPORATION shall secure the commitment of the
28 purchasers in accordance with § 6-512 of this subtitle.

29 6-512.

30 (a) The Authority shall obtain the services of an independent third party to
31 conduct a bidding process in order to secure purchasers for the Program as provided in this
32 section.

1 (b) Using the procedures adopted by the independent third party, each potential
2 purchaser shall make a timely and irrevocable offer, subject only to the [Department's]
3 **CORPORATION'S** issuance to the purchaser of tax credit certificates, to make specified
4 contributions of designated capital to the [Department] **CORPORATION** on the dates
5 specified in § 6-513(a) of this subtitle.

6 (c) The offer shall include:

7 (1) the requested amount of tax credits, which may not be less than
8 \$1,000,000;

9 (2) the potential purchaser's specified contribution for each tax credit
10 dollar requested, which may not be less than the greater of:

11 (i) 70% of the requested dollar amount of tax credits; or

12 (ii) the percentage of the requested dollar amount of tax credits that
13 the Secretary, on the recommendation of the independent third party, determines to be
14 consistent with market conditions as of the offer date; and

15 (3) any other information the independent third party requires.

16 (d) (1) The deadline for submission of applications for tax credits is February
17 1, 2012.

18 (2) Each potential purchaser shall receive a written notice from the
19 [Department] **CORPORATION** not later than May 1, 2012, indicating whether or not it has
20 been approved as a purchaser and, if so, the amount of tax credits allocated.

21 (e) The maximum amount of premium tax credits that may be allocated under
22 this subtitle for all years in which premium tax credits are allocated is \$100,000,000.

23 6-513.

24 (a) Designated capital committed by a purchaser shall be paid to the Enterprise
25 Fund [of the Department] in three equal yearly installments due on June 1 of 2012, 2013,
26 and 2014.

27 (b) On receipt of each installment of designated capital, the [Department]
28 **CORPORATION** shall issue to each purchaser a tax credit certificate representing a fully
29 vested credit against insurance premium tax liability equal to one-third of the total
30 premium tax credits allocated to the purchaser.

31 (c) The [Department] **CORPORATION** shall issue tax credit certificates to
32 purchasers in accordance with the bidding process selected by the independent third party
33 on behalf of the Authority under § 6-512 of this subtitle.

- 1 (d) The tax credit certificate shall state:
- 2 (1) the total amount of premium tax credits that the purchaser may claim;
- 3 (2) the amount of designated capital that the purchaser has contributed in
4 return for the issuance of the tax credit certificate;
- 5 (3) the dates on which the tax credits will be available for use by the
6 purchaser;
- 7 (4) any penalties or other remedies for noncompliance;
- 8 (5) the procedures to be used for transferring the tax credits; and
- 9 (6) any other requirements the [Department] CORPORATION considers
10 necessary.
- 11 (e) (1) A tax credit certificate may not be issued to any purchaser that fails to
12 make a contribution of designated capital within the time the [Department]
13 CORPORATION specifies.
- 14 (2) A purchaser that fails to make a contribution of designated capital
15 within the time the [Department] CORPORATION specifies shall be subject to a penalty
16 equal to 10% of the amount of designated capital that remains unpaid, payable to the
17 [Department] CORPORATION within 30 days after demand by the [Department]
18 CORPORATION.
- 19 (3) The [Department] CORPORATION may offer to reallocate the
20 defaulted designated capital among the other purchasers, so that the result after
21 reallocation is the same as if the initial allocation had been performed without considering
22 the premium tax credit allocation to the defaulting purchaser.
- 23 (4) If the reallocation of designated capital results in the contribution by
24 another purchaser or purchasers of the amount of designated capital not contributed by the
25 defaulting purchaser, then the [Department] CORPORATION may waive the penalty
26 provided under this subsection.
- 27 (5) (i) A purchaser that fails to make a contribution of designated
28 capital within the time specified may avoid the imposition of the penalty by transferring
29 the allocation of tax credits to a new or existing purchaser within 30 days after the due date
30 of the defaulted installment.
- 31 (ii) Any transferee of an allocation of tax credits of a defaulting
32 purchaser under this section shall agree to make the required contribution of designated
33 capital within 30 days after the date of the transfer.

1 (6) (i) The [Department] CORPORATION in its sole discretion may
2 purchase insurance or make other financial arrangements in order to ensure the
3 availability of the full amount of designated capital committed by purchasers.

4 (ii) The [Department] CORPORATION shall disclose any purchase
5 of insurance or other similar financial arrangement under this paragraph in the annual
6 report required under § 6-529 of this subtitle.

7 6-514.

8 (a) (1) Subject to the restriction in paragraph (2) of this subsection, a
9 purchaser may claim the premium tax credit on a premium tax return filed after December
10 31, 2014, for a taxable year that begins on or after January 1, 2014.

11 (2) In each calendar year from 2015 through 2019, a purchaser may claim
12 up to 20% of the premium tax credit allocated to that purchaser.

13 (b) (1) The credit to be applied against insurance premium tax liability in any
14 1 year may not exceed the insurance premium tax liability of the purchaser for that taxable
15 year.

16 (2) Any unused credit against insurance premium tax liability may be:

17 (i) carried forward indefinitely until the premium tax credits are
18 used; and

19 (ii) used by the purchaser without restriction during any calendar
20 year after 2019.

21 (3) On 30 days' advance notice to the [Department] CORPORATION,
22 premium tax credits allocated to a purchaser under this subtitle may be transferred
23 without further restriction to any other entity that:

24 (i) meets the definition of a purchaser;

25 (ii) is in good standing with the Maryland Insurance Administration;
26 and

27 (iii) agrees to assume all of the transferor's obligations under the
28 Program.

29 (c) A purchaser claiming a credit against insurance premium tax liability earned
30 through an investment under the Program is not required to pay any additional tax as a
31 result of claiming the credit.

1 (d) A purchaser is not required to reduce the amount of premium tax included by
2 the purchaser in connection with rate-making for any insurance contract written in the
3 State because of a reduction in the purchaser's insurance premium tax derived from the
4 credit granted under this subtitle.

5 6-517.

6 (a) Subject to the approval of the [Department] CORPORATION, the Authority
7 shall obtain the services of an independent third party to:

8 (1) establish application procedures for an entity to be certified as a
9 venture firm; and

10 (2) review and evaluate applications for venture firm certification under
11 this section.

12 (b) The independent third party selected by the Authority shall:

13 (1) review and evaluate the application, organizational documents, and
14 business history of each applicant;

15 (2) evaluate whether the applicant is likely to achieve the investment
16 criteria set forth in this subtitle; and

17 (3) recommend to the Authority which venture firms should receive
18 allocations of designated capital under the Program.

19 (c) (1) On receiving the recommendations of the independent third party
20 selected under subsection (a) of this section and subject to § 6-518 of this subtitle, the
21 Authority shall select venture firms to receive allocations of designated capital that are
22 consistent with the investment criteria set forth in this subtitle.

23 (2) The Authority shall ensure that the venture firms receiving designated
24 capital for investment under this subtitle make investments in the State that equal or
25 exceed the amount of designated capital received under this subtitle.

26 (3) Subject to the approval of the [Department] CORPORATION, the
27 Authority may enter into written agreements, including partnership agreements and side
28 agreements, that are necessary to carry out the purposes of this subtitle.

29 6-518.

30 (a) In selecting applicants for venture firm certification, the Authority shall
31 consider:

32 (1) the management structure of the applicant, including:

- 1 (i) the investment experience of the principals;
- 2 (ii) the applicant's reputation in the venture firm industry and the
3 applicant's ability to attract co-investment capital and syndicate investments in qualified
4 businesses in the State;
- 5 (iii) the knowledge, experience, and capabilities of the applicant in
6 subject areas relevant to venture-stage businesses in the State;
- 7 (iv) the tenure and turnover history of principals and senior
8 investment professionals of the applicant; and
- 9 (v) whether the State's investment in the applicant under this
10 program would exceed 15% of the total invested in the applicant by all investors, including
11 investments in any side car fund affiliates;
- 12 (2) the applicant's investment strategy, including:
- 13 (i) the applicant's track record of investing in venture-stage
14 businesses;
- 15 (ii) the applicant's history of attracting co-investment capital and
16 syndicate investments;
- 17 (iii) the soundness of the applicant's investment strategy and the
18 compatibility of that strategy with business opportunities in the State; and
- 19 (iv) the applicant's history of job creation through investment;
- 20 (3) the applicant's commitment to making investments, that to the fullest
21 extent possible:
- 22 (i) create employment opportunities in the State;
- 23 (ii) lead to the growth of the State economy and qualified businesses
24 in the State;
- 25 (iii) complement the research and development projects of State
26 academic institutions; and
- 27 (iv) foster the development of technologies and industries that
28 present opportunities for the growth of qualified businesses in the State; and
- 29 (4) the applicant's commitment to the State, including:
- 30 (i) the applicant's presence in the State through permanent local
31 offices or affiliation with local investment firms;

- 1 (ii) the local presence of senior investment professionals;
- 2 (iii) the applicant's history of investing in venture-stage businesses
3 in the State;
- 4 (iv) the applicant's ability to identify investment opportunities
5 through working relationships with State research and development institutions and
6 State-based businesses;
- 7 (v) the applicant's relationship with other venture firms in the
8 region;
- 9 (vi) the applicant's history of investing in areas relevant to
10 venture-stage businesses in the State; and
- 11 (vii) the applicant's commitment to investing a similar or greater
12 amount of designated capital received under this subtitle in State-based ventures and
13 qualified businesses.

14 (b) (1) An applicant shall file an application with the [Department]
15 CORPORATION in the form required by the [Department] CORPORATION.

16 (2) The application shall include the applicant's most recent financial
17 statements.

18 (3) The [Department] CORPORATION shall begin accepting applications
19 for certification on or before January 1, 2012.

20 (4) An application for certification may not be accepted after May 1, 2012.

21 (c) To be certified as a venture firm:

22 (1) the applicant must have, at the time of application, an equity
23 capitalization, net assets, or written commitments of at least \$500,000 in the form of cash
24 or cash equivalents; and

25 (2) at least two principals or persons employed to direct the investment of
26 the designated capital of the applicant must have at least 5 years of money management
27 experience in the venture capital or private equity sectors.

28 (d) Not later than 90 days after an application is filed, the Secretary shall either:

29 (1) issue the certification; or

30 (2) refuse to issue the certification and communicate in detail to the
31 applicant the grounds for the refusal.

1 6-519.

2 (a) (1) A business that is classified as a qualified business at the time of the
3 first investment in the business by a venture firm, the Enterprise Fund, or the Financing
4 Authority remains classified as a qualified business and may receive follow-on investments
5 from a venture firm, the Enterprise Fund, or the Financing Authority.

6 (2) Except as provided in paragraph (3) of this subsection, a follow-on
7 investment made under this subsection is a qualified investment even though the business
8 does not meet the definition of a qualified business at the time of the follow-on investment.

9 (3) With respect to an investment by the Enterprise Fund or the Financing
10 Authority, a follow-on investment does not qualify as a qualified investment if, at the time
11 of the follow-on investment, the qualified business no longer has its principal business
12 operations in the State.

13 (b) Each venture firm shall inform the [Department] CORPORATION in writing
14 when the venture firm requires designated capital for investment or for the payment of
15 approved fees and expenses.

16 6-520.

17 (a) A purchaser or affiliate may not directly or indirectly:

18 (1) manage a venture firm;

19 (2) beneficially own, through rights, options, convertible interests, or
20 otherwise, more than 15% of the voting securities or other voting ownership interest of a
21 venture firm; or

22 (3) control the direction of investments for a venture firm.

23 (b) Subsection (a) of this section applies whether or not the purchaser or affiliate
24 is authorized to do business in the State.

25 6-521.

26 (a) Not later than March 31 of each year, each venture firm and the Financing
27 Authority shall report to the [Department] CORPORATION:

28 (1) the amount of designated capital remaining uninvested at the end of
29 the preceding calendar year;

30 (2) all qualified investments made during the preceding calendar year,
31 including the number of employees of each business at the time the qualified investment
32 was made and as of December 31 of that year;

1 (3) for any qualified investment in which the venture firm or the Financing
2 Authority no longer has a position as of the end of the calendar year, the number of
3 employees of the business as of the date the investment was terminated; and

4 (4) any other information the [Department] CORPORATION requires to
5 ascertain the impact of the Program on the economy of the State.

6 (b) Not later than 180 days after the end of its fiscal year, each venture firm shall
7 provide to the [Department] CORPORATION an audited financial statement that includes
8 the opinion of an independent certified public accountant.

9 (c) Not later than 60 days after the sale or other disposition of a qualified
10 investment, the selling venture firm or the Financing Authority shall provide to the
11 [Department] CORPORATION a report on the amount of the interest sold or disposed of
12 and the consideration received for the sale or disposition.

13 6-522.

14 (a) A venture firm may make a qualified distribution at any time.

15 (b) To make a distribution that is not a qualified distribution, a venture firm shall
16 pay to the Comptroller the venture firm's pro rata share of distributions made to all limited
17 partners as provided under the applicable partnership documents and any agreement with
18 the [Department] CORPORATION.

19 (c) (1) Except as provided in paragraph (2) of this subsection, the Comptroller
20 shall distribute all payments received under this section to the General Fund within 30
21 days of receipt.

22 (2) (i) If the [Department] CORPORATION has an obligation under
23 applicable venture firm investment documents to return to the venture firm a payment
24 previously distributed to the Comptroller, the Comptroller shall deposit an amount equal
25 to that payment into the Enterprise Fund to cover the obligation.

26 (ii) If the [Department] CORPORATION determines that the money
27 deposited under subparagraph (i) of this paragraph is no longer required to be returned to
28 a venture firm under the applicable investment documents, the [Department]
29 CORPORATION shall notify the Comptroller that the money may be distributed to the
30 General Fund.

31 6-523.

32 Investment returns resulting from the qualified investments made under the
33 Program by the Enterprise Fund or the Financing Authority shall be used to make

1 additional qualified investments in qualified businesses by the Enterprise Fund or the
2 Financing Authority.

3 6–526.

4 (a) In any case under the insurance law of the State in which the assets of a
5 purchaser are examined or considered, the designated capital shall be treated as an
6 admitted asset, subject to the same financial rating as that held by the State.

7 (b) The [Department] CORPORATION shall submit the following to the
8 Maryland Insurance Administration:

9 (1) the names, addresses, and amount of designated capital to be
10 contributed and premium tax credits earned by each successful bidder within 30 days after
11 the close of the bidding process under § 6–512 of this subtitle;

12 (2) a copy of the tax credit certificate issued to each purchaser within 30
13 days after the issuance of the certificate under § 6–513 of this subtitle;

14 (3) the occurrence of a default by a purchaser; and

15 (4) the transfer of premium tax credits by a purchaser.

16 6–527.

17 (a) Except as provided in subsection (b) of this section, Division II of the State
18 Finance and Procurement Article does not apply to a service that the [Department]
19 CORPORATION obtains that is related to the investment, management, analysis,
20 purchase, or sale of an asset of the [Department] CORPORATION in a transaction
21 authorized under this subtitle.

22 (b) The [Department] CORPORATION is subject to Title 12, Subtitle 4 of the
23 State Finance and Procurement Article for services related to the investment,
24 management, analysis, purchase, or sale of assets of the [Department] CORPORATION in
25 any transaction authorized under this subtitle.

26 (c) Section 10–305 of the State Finance and Procurement Article does not apply
27 to the sale, lease, transfer, exchange, or other disposition of real or personal property,
28 including a share of stock in a business entity, that the [Department] CORPORATION
29 acquires in a transaction authorized under this subtitle.

30 6–528.

31 The [Department] CORPORATION shall administer this subtitle and may adopt
32 regulations to carry out this subtitle.

1 6-529.

2 (a) (1) On or before January 1, 2013, and January 1 of each subsequent year,
3 the [Department] CORPORATION shall submit a report on the implementation of the
4 Program to the Governor and, in accordance with § 2-1246 of the State Government Article,
5 the Senate Budget and Taxation Committee and the House Ways and Means Committee.

6 (2) The [Department] CORPORATION shall publish the report on the
7 [Department's] CORPORATION'S Web site in a publicly available format.

8 (3) The report published on the Web site may not include any proprietary
9 or confidential information.

10 (b) The report shall include:

11 (1) with respect to each purchaser of premium tax credits under the
12 Program:

13 (i) the name of the purchaser of premium tax credits;

14 (ii) the amount of premium tax credits allocated to the purchaser;

15 (iii) the amount of designated capital the purchaser contributed for
16 the issuance of the tax credit certificate; and

17 (iv) the amount of any tax credits that have been transferred under
18 § 6-514 of this subtitle;

19 (2) with respect to each venture firm that has received an allocation of
20 designated capital:

21 (i) the name and address of the venture firm;

22 (ii) the names of the individuals making decisions on behalf of the
23 venture firm to make qualified investments under the Program;

24 (iii) the amount of designated capital received during the previous
25 fiscal year;

26 (iv) the cumulative amount of designated capital received;

27 (v) the amount of designated capital remaining uninvested at the
28 end of the previous fiscal year;

29 (vi) the names and locations of qualified businesses receiving
30 designated capital and the amount of each qualified investment;

1 (vii) for the previous fiscal year, the aggregate fair market value of all
2 qualified investments as calculated according to generally accepted accounting principles;
3 and

4 (viii) the amount of any qualified distribution or nonqualified
5 distribution taken during the previous fiscal year, including any management fee;

6 (3) with respect to the Enterprise Fund:

7 (i) the amount of designated capital received during the previous
8 fiscal year;

9 (ii) the cumulative amount of designated capital received;

10 (iii) the amount of designated capital remaining uninvested at the
11 end of the previous fiscal year;

12 (iv) the names and locations of qualified businesses receiving
13 designated capital and the amount of each qualified investment; and

14 (v) for the previous fiscal year, the aggregate fair market value of all
15 qualified investments as calculated according to generally accepted accounting principles;

16 (4) with respect to the Financing Authority:

17 (i) the amount of designated capital received during the previous
18 fiscal year and the amount allocated to the Equity Participation Investment Program;

19 (ii) the cumulative amount of designated capital received;

20 (iii) the amount of designated capital remaining uninvested at the
21 end of the previous fiscal year;

22 (iv) the names and locations of qualified businesses receiving
23 designated capital and the amount of each qualified investment; and

24 (v) for the previous fiscal year, the aggregate fair market value of all
25 qualified investments as calculated under generally accepted accounting principles; and

26 (5) for the previous fiscal year, with respect to the qualified businesses in
27 which venture firms, the Enterprise Fund, or the Financing Authority have invested:

28 (i) the classification of the qualified businesses according to the
29 industrial sector and the size of the business;

30 (ii) the total number of jobs created in the State by the investment
31 and the average wages paid for the jobs; and

1 (iii) the total number of jobs retained in the State as a result of the
2 investment and the average wages paid for the jobs.

3 9–101.

4 (a) In this division the following words have the meanings indicated.

5 (c) “Department” means the Department of [Business and Economic
6 Development] **ECONOMIC COMPETITIVENESS AND COMMERCE**.

7 (e) “Secretary” means the Secretary of [Business and Economic Development]
8 **COMMERCE**.

9 10–401.

10 (a) In this subtitle the following words have the meanings indicated.

11 (b) “Board” means the Board of Directors of the Corporation.

12 (c) “Corporation” means the Maryland Technology Development Corporation.

13 (d) “Improve” means to add, alter, construct, equip, expand, extend, improve,
14 install, reconstruct, rehabilitate, remodel, or repair.

15 (e) “Improvement” means addition, alteration, construction, equipping,
16 expansion, extension, improvement, installation, reconstruction, rehabilitation,
17 remodeling, or repair.

18 10–402.

19 (a) There is a Maryland Technology Development Corporation.

20 (b) The Corporation is a body politic and corporate and is an instrumentality of
21 the State.

22 (c) The purposes of the Corporation are to:

23 (1) assist in transferring to the private sector the results and products of
24 scientific research and development conducted by colleges and universities;

25 (2) assist in commercializing those results and products;

26 (3) assist in commercializing technology developed in the private sector;

27 [and]

1 (4) foster the commercialization of research and development conducted by
2 colleges, universities, and the private sector to create and sustain businesses throughout
3 all regions of the State; AND

4 (5) **GENERALLY ASSIST EARLY-STAGE AND START-UP BUSINESSES IN**
5 **THE STATE.**

6 10-403.

7 (a) A Board of Directors shall manage the Corporation **AND ITS UNITS** and
8 exercise its corporate powers.

9 (b) The Board consists of the following **[15] 16** members:

10 (1) the Secretary;

11 (2) **THE EXECUTIVE DIRECTOR OF THE DEPARTMENT;** and

12 **[(2)] (3)** fourteen members appointed by the Governor with the advice
13 and consent of the Senate:

14 (i) two representing the not-for-profit research sector of the State;

15 (ii) two with expertise in venture capital financing;

16 (iii) five with experience in technology-based businesses;

17 (iv) two representing colleges and universities; and

18 (v) three members of the general public.

19 (c) A member of the Board shall reside in the State.

20 (d) In making appointments to the Board, the Governor shall consider:

21 (1) diversity; and

22 (2) all geographic regions of the State.

23 (e) A member of the Board:

24 (1) may not receive compensation as a member of the Board; but

25 (2) is entitled to reimbursement for expenses under the Standard State
26 Travel Regulations, as provided in the State budget.

1 (f) (1) The term of an appointed member is 4 years.

2 (2) The terms of the appointed members are staggered as required by the
3 terms provided for members on October 1, 2008.

4 (3) At the end of a term, an appointed member continues to serve until a
5 successor is appointed and qualifies.

6 (4) A member who is appointed after a term has begun serves only for the
7 rest of the term and until a successor is appointed and qualifies.

8 (g) The Governor may remove an appointed member for incompetence,
9 misconduct, or failure to perform the duties of the position.

10 (h) The Board shall elect a chair from among its members.

11 (i) The Board may act with an affirmative vote of [eight] NINE Board members.
12 10-404.

13 (a) The Corporation shall employ an Executive Director.

14 (b) The Executive Director shall have experience with and possess qualifications
15 relevant to the activities and purposes of the Corporation.

16 10-405.

17 (a) The Attorney General is the legal advisor to the Corporation.

18 (b) With the approval of the Attorney General, the Corporation may retain any
19 necessary lawyers.

20 10-406.

21 The Corporation may retain any necessary accountants, engineers, financial
22 advisors, or other consultants.

23 10-407.

24 (a) Except as provided in subsections (b), (c), and (e) of this section, the
25 Corporation is exempt from:

26 (1) Title 10 and Division II of the State Finance and Procurement Article;
27 and

28 (2) §§ 3-301 and 3-303 of the General Provisions Article.

1 (b) The Corporation is subject to the Public Information Act.

2 (c) The Board and the officers and employees of the Corporation are subject to the
3 Public Ethics Law.

4 (d) The officers and employees of the Corporation are not subject to the provisions
5 of Division I of the State Personnel and Pensions Article that govern the State Personnel
6 Management System.

7 (e) The Corporation, its Board, and employees are subject to Title 12, Subtitle 4
8 of the State Finance and Procurement Article.

9 10–408.

10 The Corporation may:

11 (1) adopt bylaws for the conduct of its business;

12 (2) adopt a seal;

13 (3) maintain offices at a place it designates in the State;

14 (4) accept loans, grants, or assistance of any kind from the federal or State
15 government, a local government, a college or university, or a private source;

16 (5) enter into contracts and other legal instruments;

17 (6) sue or be sued;

18 (7) acquire, purchase, hold, lease as lessee, and use:

19 (i) a franchise, patent, or license;

20 (ii) any real, personal, mixed, tangible, or intangible property; or

21 (iii) an interest in the property listed in this item;

22 (8) sell, lease as lessor, transfer, license, assign, or dispose of property or a
23 property interest that it acquires;

24 (9) fix and collect rates, rentals, fees, royalties, and charges for services
25 and resources it provides or makes available;

26 (10) create, own, control, or be a member of a corporation, limited liability
27 company, partnership, or other entity, whether operated for profit or not for profit;

1 (11) exercise power usually possessed by a private corporation in performing
2 similar functions unless to do so would conflict with State law; and

3 (12) do all things necessary or convenient to carry out the powers granted
4 by this subtitle.

5 10-409.

6 The Corporation may make grants to or provide equity investment financing for
7 technology-based businesses.

8 10-410.

9 The Corporation may:

10 (1) acquire, develop, improve, manage, market, license, sublicense,
11 maintain, lease as lessor or lessee, or operate a project in the State to carry out its purposes;

12 (2) acquire, directly or indirectly, from a person or political subdivision, by
13 purchase, gift, or devise any property, rights-of-way, franchises, easements, or other
14 interests in land, including submerged land and riparian rights:

15 (i) as necessary or convenient to improve or operate a project to
16 carry out its purposes; and

17 (ii) on the terms and at the prices that it considers reasonable; and

18 (3) enter into a project with a manufacturer to carry out its purposes.

19 10-411.

20 A debt, claim, obligation, or liability of the Corporation or any subsidiary is not:

21 (1) a debt, claim, obligation, or liability of the State, a unit or
22 instrumentality of the State, or of a State officer or State employee; or

23 (2) a pledge of the credit of the State.

24 10-412.

25 Colleges and universities may:

26 (1) contract with the Corporation or its subsidiaries;

27 (2) assign to the Corporation or its subsidiaries intellectual property and
28 other resources to assist in its development and activities; and

1 (3) assign faculty and staff to the Corporation.

2 10-413.

3 The Corporation is exempt from State and local taxes.

4 10-414.

5 The books and records of the Corporation are subject to audit:

6 (1) at any time by the State; and

7 (2) each year by an independent auditor that the Office of Legislative
8 Audits approves.

9 10-415.

10 (a) On or before October 1 of each year, the Corporation shall report to the
11 Governor, the Maryland Economic Development Commission, and, in accordance with §
12 2-1246 of the State Government Article, the General Assembly.

13 (b) The report shall include a complete operating and financial statement
14 covering the Corporation's operations and a summary of the Corporation's activities during
15 the preceding fiscal year.

16 **SUBTITLE 9. PUBLIC-PRIVATE PARTNERSHIP MARKETING CORPORATION.**

17 **10-901.**

18 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
19 **INDICATED.**

20 **(B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE CORPORATION.**

21 **(C) "CORPORATION" MEANS THE PUBLIC-PRIVATE PARTNERSHIP**
22 **MARKETING CORPORATION.**

23 **10-902.**

24 **(A) THERE IS A PUBLIC-PRIVATE PARTNERSHIP MARKETING**
25 **CORPORATION.**

26 **(B) THE CORPORATION IS A BODY POLITIC AND CORPORATE AND IS AN**
27 **INSTRUMENTALITY OF THE STATE.**

1 **(C) THE PURPOSES OF THE CORPORATION ARE TO:**

2 **(1) CREATE A BRANDING STRATEGY FOR THE STATE;**

3 **(2) MARKET THE STATE’S ASSETS TO OUT-OF-STATE BUSINESSES;**

4 **(3) RECRUIT OUT-OF-STATE BUSINESSES TO LOCATE AND GROW IN**
5 **THE STATE; AND**

6 **(4) FOSTER PUBLIC-PRIVATE PARTNERSHIPS THAT ENCOURAGE**
7 **LOCATION AND DEVELOPMENT OF NEW BUSINESSES IN THE STATE.**

8 **10-903.**

9 **(A) A BOARD OF DIRECTORS SHALL MANAGE THE CORPORATION AND ITS**
10 **UNITS AND EXERCISE THE CORPORATE POWERS OF THE BOARD OF DIRECTORS.**

11 **(B) THE BOARD CONSISTS OF THE FOLLOWING 18 MEMBERS:**

12 **(1) THE SECRETARY;**

13 **(2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT;**

14 **(3) (I) ONE MEMBER OF THE SENATE OF MARYLAND, WHO SHALL**
15 **BE A NONVOTING MEMBER OF THE BOARD, DESIGNATED BY THE PRESIDENT OF THE**
16 **SENATE; AND**

17 **(II) ONE MEMBER OF THE HOUSE OF DELEGATES, WHO SHALL**
18 **BE A NONVOTING MEMBER OF THE BOARD, DESIGNATED BY THE SPEAKER OF THE**
19 **HOUSE; AND**

20 **(4) THE FOLLOWING 14 MEMBERS, APPOINTED BY THE GOVERNOR**
21 **WITH THE ADVICE AND CONSENT OF THE SENATE:**

22 **(I) THREE REPRESENTING BUSINESSES IN THE STATE;**

23 **(II) TWO REPRESENTING LABOR IN THE STATE;**

24 **(III) TWO REPRESENTING NOT-FOR-PROFIT ORGANIZATIONS IN**
25 **THE STATE;**

26 **(IV) THREE WITH EXPERTISE IN MARKETING OR ADVERTISING;**

1 (V) ONE WITH EXPERTISE IN PUBLIC RELATIONS AND
2 COMMUNICATIONS; AND

3 (VI) THREE WITH EXPERTISE IN ECONOMIC DEVELOPMENT.

4 (C) EACH MEMBER OF THE BOARD SHALL RESIDE IN THE STATE.

5 (D) IN MAKING APPOINTMENTS TO THE BOARD, THE GOVERNOR SHALL
6 CONSIDER DIVERSITY AND ALL GEOGRAPHIC REGIONS OF THE STATE.

7 (E) A MEMBER OF THE BOARD:

8 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;
9 BUT

10 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
11 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

12 (F) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.

13 (2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS
14 REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON OCTOBER 1, 2015.

15 (3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO
16 SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

17 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
18 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
19 QUALIFIES.

20 (G) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR
21 INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE
22 POSITION.

23 (H) THE BOARD SHALL ELECT A CHAIR FROM AMONG THE MEMBERS OF THE
24 BOARD.

25 (I) THE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF NINE BOARD
26 MEMBERS.

27 10-904.

28 (A) THE CORPORATION SHALL EMPLOY AN EXECUTIVE DIRECTOR.

1 **(B) THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND**
2 **POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE**
3 **CORPORATION.**

4 **10-905.**

5 **(A) THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE**
6 **CORPORATION.**

7 **(B) WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE CORPORATION**
8 **MAY RETAIN ANY NECESSARY LAWYERS.**

9 **10-906.**

10 **THE CORPORATION MAY RETAIN ANY NECESSARY ACCOUNTANTS, FINANCIAL**
11 **ADVISORS, OR OTHER CONSULTANTS.**

12 **10-907.**

13 **(A) EXCEPT AS PROVIDED IN SUBSECTIONS (B), (C), AND (E) OF THIS**
14 **SECTION, THE CORPORATION IS EXEMPT FROM:**

15 **(1) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND**
16 **PROCUREMENT ARTICLE; AND**

17 **(2) §§ 10-555 AND 10-507 OF THE STATE GOVERNMENT ARTICLE.**

18 **(B) THE CORPORATION IS SUBJECT TO THE PUBLIC INFORMATION ACT.**

19 **(C) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE**
20 **CORPORATION ARE SUBJECT TO THE PUBLIC ETHICS LAW.**

21 **(D) THE OFFICERS AND EMPLOYEES OF THE CORPORATION ARE NOT**
22 **SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND**
23 **PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.**

24 **(E) THE CORPORATION, THE BOARD, AND THE EMPLOYEES OF THE**
25 **CORPORATION ARE SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND**
26 **PROCUREMENT ARTICLE.**

27 **10-908.**

THE CORPORATION MAY:

(1) ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;

(2) ADOPT A SEAL;

**(3) MAINTAIN OFFICES AT A PLACE THE CORPORATION DESIGNATES
IN THE STATE;**

**(4) ACCEPT LOANS, GRANTS, OR ASSISTANCE OF ANY KIND FROM THE
FEDERAL OR STATE GOVERNMENT, LOCAL GOVERNMENT, A COLLEGE OR
UNIVERSITY, OR A PRIVATE SOURCE;**

(5) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;

(6) SUE OR BE SUED;

(7) ACQUIRE, PURCHASE, HOLD, LEASE AS LESSEE, AND USE:

(I) A FRANCHISE, PATENT, OR LICENSE;

**(II) ANY REAL, PERSONAL, MIXED, TANGIBLE, OR INTANGIBLE
PROPERTY; OR**

(III) AN INTEREST IN THE PROPERTY LISTED IN THIS ITEM;

**(8) SELL, LEASE AS LESSOR, TRANSFER, LICENSE, ASSIGN, OR
DISPOSE OF PROPERTY OR A PROPERTY INTEREST THAT THE CORPORATION
ACQUIRES;**

**(9) FIX AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND
CHARGES FOR SERVICES AND RESOURCES THE CORPORATION PROVIDES OR MAKES
AVAILABLE; AND**

**(10) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE
POWERS GRANTED BY THIS SUBTITLE.**

10-909.

THE CORPORATION IS EXEMPT FROM STATE AND LOCAL TAXES.

10-910.

1 THE BOOKS AND RECORDS OF THE CORPORATION ARE SUBJECT TO AUDIT:

2 (1) AT ANY TIME BY THE STATE; AND

3 (2) EACH YEAR BY AN INDEPENDENT AUDITOR THAT THE OFFICE OF
4 LEGISLATIVE AUDITS APPROVES.

5 10-911.

6 (A) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE CORPORATION SHALL
7 REPORT TO THE GOVERNOR, THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1246
8 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

9 (B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL
10 STATEMENT COVERING THE CORPORATION’S OPERATIONS AND A SUMMARY OF THE
11 CORPORATION’S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

12 Article – State Government

13 8-201.

14 (a) The Executive Branch of the State government shall have not more than 21
15 principal departments, each of which shall embrace a broad, functional area of that Branch.

16 (b) The principal departments of the Executive Branch of the State government
17 are:

18 (4) [Business and Economic Development] ECONOMIC
19 COMPETITIVENESS AND COMMERCE;

20 SECTION 3. AND BE IT FURTHER ENACTED, That, as provided in this Act:

21 (1) The Department of Economic Competitiveness and Commerce is the
22 successor of the Department of Business and Economic Development and the Executive
23 Director of the Department of Economic Competitiveness and Commerce is the successor
24 of the Secretary of Business and Economic Development.

25 (2) In every law, executive order, rule, regulation, policy, or document
26 created by an official, an employee, or a unit of this State, the names and titles of those
27 agencies and officials mean the names and titles of the successor agency or official.

28 SECTION 4. AND BE IT FURTHER ENACTED, That nothing in this Act affects the
29 term of office of an appointed or elected member of any commission, office, department,
30 agency, or other unit. An individual who is a member of a unit on the effective date of this

1 Act shall remain a member for the balance of the term to which appointed or elected, unless
2 the member sooner dies, resigns, or is removed under provisions of law.

3 SECTION 5. AND BE IT FURTHER ENACTED, That, except as expressly provided
4 to the contrary in this Act, any transaction or employment status affected by or flowing
5 from any change of nomenclature or any statute amended, repealed, or transferred by this
6 Act and validly entered into or existing before the effective date of this Act and every right,
7 duty, or interest flowing from a statute amended, repealed, or transferred by this Act
8 remains valid after the effective date of this Act and may be terminated, completed,
9 consummated, or enforced as required or allowed by any statute amended, repealed, or
10 transferred by this Act as though the repeal, amendment, or transfer had not occurred. If
11 a change in nomenclature involves a change in name or designation of any State unit, the
12 successor unit shall be considered in all respects as having the powers and obligations
13 granted the former unit.

14 SECTION 6. AND BE IT FURTHER ENACTED, That, except as expressly provided
15 to the contrary in this Act:

16 (1) The continuity of every commission, office, department, agency, or other
17 unit is retained; and

18 (2) The personnel, records, files, furniture, fixtures, and other properties
19 and all appropriations, credits, assets, liabilities, and obligations of each retained unit are
20 continued as the personnel, records, files, furniture, fixtures, properties, appropriations,
21 credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

22 SECTION 7. AND BE IT FURTHER ENACTED, That the publisher of the
23 Annotated Code of Maryland, in consultation with and subject to the approval of the
24 Department of Legislative Services, shall correct, with no further action required by the
25 General Assembly, terminology rendered incorrect by this Act or by any other Act of the
26 General Assembly of 2015 that affects provisions enacted by this Act. The publisher shall
27 adequately describe any such correction in an editor's note following the section affected.

28 SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding §
29 10-902 (f)(1) of the Economic Development Article, as enacted by Section 2 of this Act, the
30 terms of the initial appointed members of the Board of Directors of the Public-Private
31 Partnership Marketing Corporation shall expire as follows:

32 (1) Three members on September 30, 2018;

33 (2) Four members on September 30, 2019;

34 (3) Four members on September 30, 2020; and

35 (4) Three members on September 30, 2021.

1 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2015.