

# HOUSE BILL 1404

K3

(6lr2086)

## ENROLLED BILL

— Economic Matters/Budget and Taxation —

Introduced by **Delegates Brooks, Barkley, Branch, Carey, Clippinger, Davis, Frick, Glenn, Jones, Kramer, Lisanti, Valderrama, Vaughn, and C. Wilson**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

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

1 AN ACT concerning

2 ~~Maryland Center for Construction Education and Innovation – Codification~~  
3 Establishment of Fund and Centers

4 FOR the purpose of ~~establishing the Maryland Center for Construction Education and~~  
5 ~~Innovation; providing that the Center is a body politic and corporate and is an~~  
6 ~~instrumentality of the State; specifying the purposes of the Center; specifying what~~  
7 ~~the Center shall seek to accomplish; establishing a Board of Directors for the Center;~~  
8 ~~specifying the duties, membership, qualifications, terms, appointments, and removal~~  
9 ~~of the members of the Board; specifying the manner of electing the chair of the Board;~~  
10 ~~requiring the Center to employ an Executive Director; specifying the duties of the~~  
11 ~~Executive Director of the Center;~~ establishing the Construction Education and  
12 Innovation Fund as a special, nonlapsing fund; requiring the Center to administer  
13 the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to  
14 account for the Fund; requiring the Governor,

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



1 each fiscal year, to include in the annual State budget an appropriation of a certain  
 2 amount to the Fund to support certain operations; specifying the purpose for which  
 3 the Fund may be used; providing for expenditures from the Fund; requiring interest  
 4 earnings of the Fund to be credited to the Fund; exempting the Fund from a certain  
 5 provision of law requiring interest earnings on State money to accrue to the General  
 6 Fund of the State; ~~providing that the Attorney General is the legal advisor to the~~  
 7 ~~Center; authorizing the Center to employ certain staff; specifying certain provisions~~  
 8 ~~of law from which the Center is exempt and to which the Center is subject; specifying~~  
 9 ~~the authority of the Center; requiring the Center to report on certain matters to~~  
 10 ~~certain persons on or before a certain date each year; requiring the Department of~~  
 11 ~~Labor, Licensing, and Regulation to develop a framework for establishing a certain~~  
 12 ~~number of additional centers that have purposes and structure similar to those of~~  
 13 ~~the Maryland Center for Construction Education and Innovation; requiring the~~  
 14 ~~Department to establish certain centers; requiring the Department of Labor,~~  
 15 ~~Licensing, and Regulation to report to the General Assembly, on or before a certain~~  
 16 ~~date, on its findings and recommendations relating to development of a concerning~~  
 17 ~~the framework for establishing certain additional centers and certain other matters;~~  
 18 defining certain terms; and generally relating to construction education and  
 19 innovation.

20 BY adding to

21 Article – Labor and Employment

22 Section 11-1301 ~~through 11-1312~~ and 11-1302 to be under the new subtitle

23 “Subtitle 13. ~~Maryland Center For~~ Construction Education and Innovation  
 24 Fund”

25 Annotated Code of Maryland

26 (2008 Volume and 2015 Supplement)

27 BY repealing and reenacting, without amendments,

28 Article – State Finance and Procurement

29 Section 6-226(a)(2)(i)

30 Annotated Code of Maryland

31 (2015 Replacement Volume)

32 BY repealing and reenacting, with amendments,

33 Article – State Finance and Procurement

34 Section 6-226(a)(2)(ii)84. and 85.

35 Annotated Code of Maryland

36 (2015 Replacement Volume)

37 BY adding to

38 Article – State Finance and Procurement

39 Section 6-226(a)(2)(ii)86.

40 Annotated Code of Maryland

41 (2015 Replacement Volume)

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

3 **Article – Labor and Employment**

4 **SUBTITLE 13. ~~MARYLAND CENTER FOR~~ CONSTRUCTION EDUCATION AND**  
5 **INNOVATION FUND.**

6 **11-1301.**

7 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
8 INDICATED.

9 ~~(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE CENTER.~~

10 ~~(C) (B) “CENTER” MEANS THE MARYLAND CENTER FOR CONSTRUCTION~~  
11 ~~EDUCATION AND INNOVATION ESTABLISHED UNDER § 11-1302 OF THIS SUBTITLE.~~

12 ~~(D) (C) “FUND” MEANS THE CONSTRUCTION EDUCATION AND~~  
13 ~~INNOVATION FUND ESTABLISHED UNDER § 11-1305 OF THIS SUBTITLE.~~

14 ~~11-1302.~~

15 ~~(A) THERE IS A MARYLAND CENTER FOR CONSTRUCTION EDUCATION AND~~  
16 ~~INNOVATION.~~

17 ~~(B) THE CENTER IS A BODY POLITIC AND CORPORATE AND IS AN~~  
18 ~~INSTRUMENTALITY OF THE STATE.~~

19 ~~(C) THE PURPOSES OF THE CENTER ARE TO:~~

20 ~~(1) WORK IN PARTNERSHIP WITH THE CONSTRUCTION INDUSTRY,~~  
21 ~~EDUCATIONAL INSTITUTIONS, AND GOVERNMENT TO CREATE A WORLD CLASS~~  
22 ~~EDUCATION SYSTEM FOR THE STATE’S BUILT ENVIRONMENT;~~

23 ~~(2) PROMOTE THE ECONOMIC VITALITY OF CONSTRUCTION IN THE~~  
24 ~~STATE; AND~~

25 ~~(3) SERVE AS A RESOURCE FOR THE CONSTRUCTION INDUSTRY,~~  
26 ~~EDUCATIONAL INSTITUTIONS, AND GOVERNMENT IN ORDER TO POSITION~~  
27 ~~CONSTRUCTION AS A CAREER CHOICE FOR TOMORROW’S WORKFORCE.~~

28 ~~(D) THE CENTER SHALL SEEK TO:~~

1 ~~(1) DETERMINE STATEWIDE INDUSTRY DEMAND FOR BACHELOR~~  
2 ~~DEGREE CONSTRUCTION GRADUATES AND EXPLORE ALTERNATIVES IN~~  
3 ~~POST-SECONDARY EDUCATION TO MEET INDUSTRY DEMAND;~~

4 ~~(2) GENERATE INTEREST AMONG YOUNG MEN AND WOMEN TO~~  
5 ~~PURSUE CAREERS IN CONSTRUCTION AND CONVEY ATTRACTIVE~~  
6 ~~CONSTRUCTION RELATED CAREER OPTIONS;~~

7 ~~(3) ALIGN EDUCATION PROGRAMS WITH NEW DEVELOPING~~  
8 ~~TECHNOLOGIES AND SKILL SETS, INCLUDING THOSE IN GREEN CONSTRUCTION,~~  
9 ~~CONSTRUCTION SOFTWARE, DIGITIZATION, MATERIALS SCIENCE, AND MECHANICAL~~  
10 ~~SYSTEMS; AND~~

11 ~~(4) ARTICULATE CONSTRUCTION EDUCATION PROGRAMS AT LEVELS~~  
12 ~~FROM HIGH SCHOOL THROUGH UNIVERSITY TO CREATE CAREER PATHWAYS THAT~~  
13 ~~PROVIDE A SUSTAINABLE WORKFORCE PIPELINE.~~

14 ~~11-1303.~~

15 ~~(A) A BOARD OF DIRECTORS SHALL MANAGE THE CENTER AND EXERCISE~~  
16 ~~THE CORPORATE POWERS OF THE BOARD OF DIRECTORS.~~

17 ~~(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:~~

18 ~~(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;~~

19 ~~(2) THE COMMISSIONER OF LABOR AND INDUSTRY, OR THE~~  
20 ~~COMMISSIONER'S DESIGNEE;~~

21 ~~(3) THE EXECUTIVE DIRECTOR OF THE GOVERNOR'S WORKFORCE~~  
22 ~~INVESTMENT BOARD, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;~~

23 ~~(4) THE SECRETARY OF EDUCATION, OR THE SECRETARY'S~~  
24 ~~DESIGNEE;~~

25 ~~(5) THE SECRETARY OF COMMERCE, OR THE SECRETARY'S~~  
26 ~~DESIGNEE;~~

27 ~~(6) THE EXECUTIVE DIRECTOR OF THE MARYLAND ASSOCIATION OF~~  
28 ~~COMMUNITY COLLEGES, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;~~

29 ~~(7) THE VICE PRESIDENT OF THE DIVISION OF INNOVATION AND~~  
30 ~~APPLIED RESEARCH AT TOWSON UNIVERSITY, OR THE VICE PRESIDENT'S~~  
31 ~~DESIGNEE;~~

1           ~~(8) THE CHAIR OF THE MARYLAND APPRENTICESHIP AND TRAINING~~  
2 ~~COUNCIL, OR THE CHAIR'S DESIGNEE; AND~~

3           ~~(9) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR WITH~~  
4 ~~THE ADVICE AND CONSENT OF THE SENATE:~~

5           ~~(I) TEN REPRESENTATIVES OF THE CONSTRUCTION INDUSTRY~~  
6 ~~IN THE STATE, INCLUDING COMMERCIAL, INDUSTRIAL, AND RESIDENTIAL BUILDING~~  
7 ~~AND CONSTRUCTION COMPANIES, REAL ESTATE DEVELOPMENT COMPANIES,~~  
8 ~~REDEVELOPMENT CONSTRUCTION COMPANIES, GENERAL CONTRACTING~~  
9 ~~COMPANIES, AND CONSTRUCTION MANAGEMENT COMPANIES;~~

10           ~~(II) TWO REPRESENTATIVES OF NATIONAL OR LOCAL~~  
11 ~~ASSOCIATIONS THAT REPRESENT CONTRACTORS, SUBCONTRACTORS, TRADES, AND~~  
12 ~~SUPPLIERS IN THE STATE;~~

13           ~~(III) SEVEN REPRESENTATIVES OF VARIOUS CONSTRUCTION~~  
14 ~~CONTRACTORS, SUBCONTRACTORS, TRADES, OR SUPPLIERS IN THE STATE,~~  
15 ~~INCLUDING MECHANICAL, ELECTRICAL, WOODWORKING, AND OTHER SPECIALTIES;~~

16           ~~(IV) THREE REPRESENTATIVES OF THE FIELD OF ENGINEERING,~~  
17 ~~INCLUDING CIVIL AND MECHANICAL;~~

18           ~~(V) TWO REPRESENTATIVES OF THE FIELDS OF ARCHITECTURE~~  
19 ~~OR DESIGN; AND~~

20           ~~(VI) TWO REPRESENTATIVES OF THE PUBLIC WITH GENERAL~~  
21 ~~EXPERTISE IN TRAINING, APPRENTICESHIP PROGRAMS, OR EDUCATION OF THE~~  
22 ~~CONSTRUCTION WORKFORCE.~~

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

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

26           ~~(E) A MEMBER OF THE BOARD:~~

27           ~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;~~  
28 ~~BUT~~

29           ~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE~~  
30 ~~STANDARD STATE 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~~  
3 ~~REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON OCTOBER 1, 2016.~~

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

6               ~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES~~  
7 ~~ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND~~  
8 ~~QUALIFIES.~~

9               ~~(5) AN APPOINTED MEMBER MAY SERVE MORE THAN ONE TERM.~~

10       ~~(G) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR~~  
11 ~~INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE~~  
12 ~~POSITION.~~

13       ~~(H) THE BOARD SHALL ELECT A CHAIR FROM AMONG THE MEMBERS OF THE~~  
14 ~~BOARD.~~

15       ~~(I) THE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF A MAJORITY OF~~  
16 ~~THE TOTAL MEMBERSHIP OF THE BOARD.~~

17 ~~11-1304.~~

18       ~~(A) THE CENTER SHALL EMPLOY AN EXECUTIVE DIRECTOR.~~

19       ~~(B) THE EXECUTIVE DIRECTOR SHALL HAVE EXPERIENCE WITH AND~~  
20 ~~POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE~~  
21 ~~CENTER.~~

22 ~~11-1305. 11-1302.~~

23       (A) THERE IS A CONSTRUCTION EDUCATION AND INNOVATION FUND.

24       (B) THE CENTER SHALL ADMINISTER THE FUND.

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

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

1 (D) THE FUND CONSISTS OF:

2 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

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

5 (3) MONEY DERIVED BY THE CENTER; OR

6 (4) ANY OTHER MONEY MADE AVAILABLE TO THE CENTER FOR THE  
7 FUND.

8 (E) ~~IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT FOR EACH FISCAL~~  
9 ~~YEAR FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, THE~~  
10 GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET AN APPROPRIATION TO  
11 THE FUND OF \$250,000 TO SUPPORT THE OPERATION OF THE CENTER  
12 ~~ESTABLISHED UNDER THIS SUBTITLE.~~

13 (F) THE FUND MAY BE USED ONLY TO SUPPORT THE PURPOSES OF THE  
14 CENTER.

15 (G) (1) THE TREASURER SHALL INVEST MONEY IN THE FUND IN THE  
16 SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

17 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO  
18 THE FUND.

19 ~~11-1306.~~

20 (A) ~~THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE CENTER.~~

21 (B) ~~WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE CENTER MAY~~  
22 ~~RETAIN ANY NECESSARY LAWYERS.~~

23 ~~11-1307.~~

24 ~~THE CENTER MAY RETAIN ANY NECESSARY ACCOUNTANTS, FINANCIAL~~  
25 ~~ADVISORS, OR OTHER CONSULTANTS.~~

26 ~~11-1308.~~

27 (A) ~~EXCEPT AS PROVIDED IN SUBSECTIONS (B), (C), AND (E) OF THIS~~  
28 ~~SECTION, THE CENTER IS EXEMPT FROM:~~

~~(1) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND  
PROCUREMENT ARTICLE; AND~~

~~(2) §§ 3-301 AND 3-303 OF THE GENERAL PROVISIONS ARTICLE.~~

~~(B) THE CENTER IS SUBJECT TO THE PUBLIC INFORMATION ACT.~~

~~(C) THE BOARD AND THE OFFICERS AND EMPLOYEES OF THE CENTER ARE  
SUBJECT TO THE PUBLIC ETHICS LAW.~~

~~(D) THE OFFICERS AND EMPLOYEES OF THE CENTER ARE NOT SUBJECT TO  
THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND PENSIONS  
ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.~~

~~(E) THE CENTER, THE BOARD, AND THE EMPLOYEES OF THE CENTER ARE  
SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND PROCUREMENT  
ARTICLE.~~

~~11-1309.~~

~~THE CENTER MAY:~~

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

~~(2) ADOPT A SEAL;~~

~~(3) MAINTAIN OFFICES AT A PLACE IN THE STATE THAT THE CENTER  
DESIGNATES;~~

~~(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~~

~~(H) 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 CENTER ACQUIRES;~~

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

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

~~11-1310.~~

~~THE CENTER IS EXEMPT FROM STATE AND LOCAL TAXES.~~

~~11-1311.~~

~~THE BOOKS AND RECORDS OF THE CENTER ARE SUBJECT TO AUDIT:~~

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

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

~~11-1312.~~

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

~~(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE CENTER'S OPERATIONS AND A SUMMARY OF THE CENTER'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.~~

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.

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

3 84. the Economic Development Marketing Fund; [and]

4 85. the Military Personnel and Veteran-Owned Small  
5 Business No-Interest Loan Fund; AND

6 **86. THE CONSTRUCTION EDUCATION AND INNOVATION**  
7 **FUND.**

8 ~~SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §~~  
9 ~~11-1303(f)(1) of the Labor and Employment Article, as enacted by Section 1 of this Act, the~~  
10 ~~terms of the initial appointed members of the Board of Directors of the Maryland Center~~  
11 ~~for Construction Education and Innovation shall expire as follows:~~

12 ~~(1) Six members on September 30, 2019;~~

13 ~~(2) Six members on September 30, 2020;~~

14 ~~(3) Seven members on September 30, 2021; and~~

15 ~~(4) Seven members on September 30, 2022.~~

16 ~~SECTION 3. 2. AND BE IT FURTHER ENACTED, That:~~

17 ~~(a) (1) (i) The Department of Labor, Licensing, and Regulation shall~~  
18 ~~develop a framework for establishing two additional centers that shall have purposes and~~  
19 ~~structure similar to those of the Maryland Center for Construction Education and~~  
20 ~~Innovation, as enacted under Section 1 of this Act.~~

21 ~~(ii) The framework shall specify the appropriate membership and~~  
22 ~~duties of the additional centers.~~

23 ~~(2) As additional centers, the Department shall establish:~~

24 ~~(i) one center to focus on creating a world class education system~~  
25 ~~for the development of the cybersecurity industry in the State; and~~

26 ~~(ii) another center to focus on creating a world class education~~  
27 ~~system for the development of the additive manufacturing industry in the State.~~

28 ~~(b) On or before December 1, 2016, the Department shall report to the House~~  
29 ~~Economic Matters Committee and the Senate Finance Committee, in accordance with §~~  
30 ~~2-1246 of the State Government Article, on its findings and recommendations concerning~~

1 ~~the framework and other matters related to the additional centers to be established under~~  
2 ~~this section.~~

3 SECTION ~~4. 2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2016.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.