

# SENATE BILL 313

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CF HB 410

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By: **The President (By Request – Administration) and Senators Astle, Bates, Cassilly, Eckardt, Edwards, Feldman, Ferguson, Hershey, Klausmeier, Manno, Mathias, Middleton, Norman, Reilly, Rosapepe, Salling, Serafini, and ~~Simonair~~ Simonair, Benson, and Oaks**

Introduced and read first time: January 20, 2017

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2017

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

1 AN ACT concerning

2 **Economic Development – Maryland Energy Innovation Institute**

3 FOR the purpose of establishing a Maryland Energy Innovation Institute for certain  
4 purposes; providing that the Institute is a part of the A. James Clark School of  
5 Engineering of the University of Maryland; providing that the School shall manage  
6 the Institute according to certain policies with advice of the Advisory Board of the  
7 Institute; establishing the purposes of the Institute; providing that the exercise of  
8 certain powers by the Institute is an essential governmental function; establishing  
9 an Advisory Board of the Institute for certain purposes; providing for the  
10 membership, ~~terms~~, powers, and officers of the Institute Board; providing that the  
11 Director of the University of Maryland Energy Research Center is the Director of the  
12 Institute; providing for the appointment of an Associate Director; establishing the  
13 duties of the Institute Director; authorizing the Institute to retain certain staff and  
14 consultants; establishing the powers of the Institute; establishing the Maryland  
15 Energy Innovation Fund as a special, nonlapsing revolving fund in the University  
16 System of Maryland to be used by the Institute and the Maryland Clean Energy  
17 Center; specifying the purposes and uses of the Fund; providing that the Institute  
18 shall manage and supervise the Fund; requiring the State Treasurer to hold the  
19 Fund and the Comptroller to account for the Fund; specifying the contents of the  
20 Fund; providing for the investment of money in the Fund; requiring interest earnings  
21 of the Fund to be credited to the Fund; providing for the audit of the books and  
22 records of the Institute in a certain manner; providing that the Institute and the

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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.



1 Center are independent entities that are not responsible for each other's debts,  
 2 liabilities, bonds, or obligations; requiring the Institute to report each year to the  
 3 Governor, the Maryland Energy Administration, and the General Assembly on  
 4 certain matters; stating the intent of the General Assembly regarding coordination  
 5 of functions and avoidance of duplication of effort between the Center and the  
 6 Administration; altering the purposes of the Maryland Clean Energy Center;  
 7 altering the membership of the Board of Directors of the Center; providing that the  
 8 Governor shall appoint the chair of the Board; ~~repealing the function of requiring the~~  
 9 Board to establish a Financing Investment Advisory Committee for certain purposes;  
 10 providing for the membership of the Advisory Committee; requiring the Advisory  
 11 Committee to review certain matters and make certain recommendations;  
 12 authorizing certain State economic development units to provide representatives,  
 13 resources, and expertise to the Advisory Committee for certain purposes; authorizing  
 14 the Center to disseminate, rather than to act as a clearinghouse, for certain  
 15 information and materials for certain purposes; providing that the Center ~~shall~~ may  
 16 consult with the Administration when cooperating with certain entities and  
 17 coordinating certain activities with certain programs and persons; requiring certain  
 18 State economic development units to cooperate with the Center and authorizing  
 19 those units to provide certain resources and expertise for certain purposes; requiring  
 20 the Center to publish certain audits on its Web site; repealing the Maryland Clean  
 21 Energy Technology Incubator Program in the Center; exempting the Fund from a  
 22 certain provision of law requiring interest earnings of State money to accrue to the  
 23 General Fund of the State; providing that the Institute is exempt from State and  
 24 local taxes; providing for the transfer of certain funds in each of certain fiscal years  
 25 to the Fund from the Strategic Energy Investment Fund; ~~providing for the initial~~  
 26 ~~terms of the members of the Institute Board~~ requiring the Center to prepare a certain  
 27 work plan for certain purposes; requiring the Center to report to the Governor, the  
 28 Administration, and the General Assembly on certain matters on or before a certain  
 29 date; requiring the Institute to conduct a certain study and report on its findings and  
 30 recommendations to the Governor, the Administration, and the General Assembly  
 31 on or before a certain date; defining certain terms; providing that certain obligations  
 32 or contracts may not be impaired by this Act; providing that certain loan obligations  
 33 be converted to grants from the Administration to the Center; and generally relating  
 34 to the Maryland Energy Innovation Institute, the Maryland Clean Energy Center,  
 35 and economic development.

36 BY repealing

37 Article – Economic Development

38 Section 10–829 through 10–837 and the part “Part III. Maryland Clean Energy  
 39 Technology Incubator Program”

40 Annotated Code of Maryland

41 (2008 Volume and 2016 Supplement)

42 BY repealing and reenacting, without amendments,

43 Article – Economic Development

44 Section 10–801(a), (b), (c), (e), (f), (h), and (i)

45 Annotated Code of Maryland

1 (2008 Volume and 2016 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article – Economic Development  
4 Section 10–806, 10–807, 10–808, 10–810, 10–823, and 10–825  
5 Annotated Code of Maryland  
6 (2008 Volume and 2016 Supplement)

7 BY adding to  
8 Article – Economic Development  
9 Section 10–828 through ~~10–838~~ 10–839 to be under the new part “Part III. Maryland  
10 Energy Innovation Institute”  
11 Annotated Code of Maryland  
12 (2008 Volume and 2016 Supplement)  
13 (As enacted by Section 1 of this Act)

14 BY repealing and reenacting, without amendments,  
15 Article – State Finance and Procurement  
16 Section 6–226(a)(2)(i)  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2016 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – State Finance and Procurement  
21 Section 6–226(a)(2)(ii)94. and 95.  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2016 Supplement)

24 BY adding to  
25 Article – State Finance and Procurement  
26 Section 6–226(a)(2)(ii)96.  
27 Annotated Code of Maryland  
28 (2015 Replacement Volume and 2016 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
30 That Section(s) 10–829 through 10–837 and the part “Part III. Maryland Clean Energy  
31 Technology Incubator Program” of Article – Economic Development of the Annotated Code  
32 of Maryland be repealed.

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

35 **Article – Economic Development**

36 10–801.

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

- 1 (b) "Administration" means the Maryland Energy Administration.
- 2 (c) "Board" means the Board of Directors of the Center.
- 3 (e) "Center" means the Maryland Clean Energy Center.
- 4 (f) "Clean energy" includes:
- 5 (1) solar photovoltaic technology;
- 6 (2) solar heating;
- 7 (3) geothermal;
- 8 (4) wind;
- 9 (5) biofuels;
- 10 (6) ethanol;
- 11 (7) other qualifying biomass as defined in § 7-701 of the Public Utilities  
12 Article;
- 13 (8) ocean, including energy from waves, tides, currents, and thermal  
14 differences;
- 15 (9) a fuel cell that produces energy from biofuels, ethanol, or other  
16 qualifying biomass;
- 17 (10) energy efficiency and conservation;
- 18 (11) any other technology or service that the Center determines will  
19 contribute directly or indirectly to the production of energy from renewable or sustainable  
20 sources, or to the improvement of efficiency in the use of energy; and
- 21 (12) deployment of any of the technologies or services listed in items (1)  
22 through (11) of this subsection.
- 23 (h) "Director" means the Director of the Administration.
- 24 (i) "Executive Director" means the Executive Director of the Maryland Clean  
25 Energy Center.
- 26 10-806.
- 27 (a) There is a Maryland Clean Energy Center.

1 (b) The Center is a body politic and corporate and is an instrumentality of the  
2 State.

3 (c) The exercise by the Center of the powers conferred by this subtitle is the  
4 performance of an essential governmental function.

5 (d) The purposes of the Center are to:

6 (1) promote economic development and jobs in the clean energy industry  
7 sector in the State;

8 (2) promote the deployment of clean energy technology in the State;

9 (3) serve as an incubator for the development of clean energy industry in  
10 the State;

11 (4) **IN COLLABORATION WITH THE ADMINISTRATION**, collect, analyze,  
12 and disseminate industry data; and

13 (5) provide outreach and technical support to further the clean energy  
14 industry in the State.

15 (e) ~~The Center shall coordinate with the Maryland Energy Administration and~~  
16 ~~may not duplicate the programs or activities of the Administration without consent of the~~  
17 ~~Administration.~~ **IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT, AS THE CENTER**  
18 **DEVELOPS PROGRAMS AND ACTIVITIES UNDER THIS SUBTITLE, THE CENTER AND**  
19 **THE ADMINISTRATION SHALL WORK COLLABORATIVELY TOGETHER, AS**  
20 **APPROPRIATE, IN ORDER TO COORDINATE SHARED-INTEREST FUNCTIONS AND**  
21 **AVOID DUPLICATION OF EFFORTS.**

22 10-807.

23 (a) A Board of Directors shall manage the Center and exercise its corporate  
24 powers.

25 (b) The Board consists of the following ~~nine~~ **11** members:

26 (1) the Director, or the Director's designee;

27 ~~(2) THE DIRECTOR OF THE MARYLAND ECONOMIC DEVELOPMENT~~  
28 ~~CORPORATION;~~

29 ~~(3) THE DIRECTOR OF THE MARYLAND HEALTH AND HIGHER~~  
30 ~~EDUCATION FACILITIES AUTHORITY; and~~

1                   ~~[(2)] (4)~~ eight members appointed by the Governor with the advice and  
2 consent of the Senate:

3                   (i) two representing the not-for-profit clean energy research sector  
4 of the State;

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

6                   (iii) two representing clean energy industries in the State; [and]

7                   (iv) [two members] **ONE CONSUMER MEMBER; AND**

8                   **(v) ONE MEMBER** of the general public.

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

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

11                   (1) diversity; and

12                   (2) all geographic regions of the State.

13          (e) A member of the Board:

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

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

17          (f) (1) The term of an appointed member is 4 years and begins on July 1.

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

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

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

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

26 10-808.

27                   From among [its] **THE** members[,] **OF** the Board [shall elect]:

1 (1) THE GOVERNOR SHALL APPOINT a chair[.]; AND

2 (2) THE BOARD SHALL ELECT a vice chair[,] and a treasurer.

3 10-810.

4 (a) (1) The Board shall establish an Advisory Committee.

5 (2) The Advisory Committee consists of individuals that the Board  
 6 considers will assist the Center in studying and developing policies to further the purposes  
 7 of this subtitle.

8 (b) (1) THE BOARD SHALL ESTABLISH A FINANCING INVESTMENT  
 9 ADVISORY COMMITTEE.

10 (2) THE FINANCING INVESTMENT ADVISORY COMMITTEE CONSISTS  
 11 OF INDIVIDUALS WITH KNOWLEDGE AND EXPERTISE IN FINANCING MATTERS  
 12 RELEVANT TO BORROWER ELIGIBILITY, TERMS AND CONDITIONS OF SUPPORT, AND  
 13 OTHER FINANCING EVALUATION CRITERIA OF THE CENTER.

14 (3) BEFORE THE CENTER PROVIDES FINANCING FOR A PROJECT,  
 15 INCLUDING A PROJECT TO BE FUNDED BY THE MARYLAND ENERGY INNOVATION  
 16 FUND UNDER § 10-835 OF THIS SUBTITLE, THE FINANCING INVESTMENT ADVISORY  
 17 COMMITTEE SHALL REVIEW AND MAKE RECOMMENDATIONS TO THE BOARD FOR  
 18 QUALIFYING PROJECT APPLICANTS.

19 (4) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION AND  
 20 OTHER STATE ECONOMIC DEVELOPMENT UNITS MAY PROVIDE RESOURCES AND  
 21 EXPERTISE TO THE FINANCING INVESTMENT ADVISORY COMMITTEE AND THE  
 22 CENTER TO ASSIST IN EVALUATING PROJECTS, COORDINATING FINANCING FOR  
 23 PROJECTS, AND OTHER MATTERS.

24 (C) The Board may establish other committees as appropriate.

25 [(c)] (D) (1) The membership of a committee may include individuals who are  
 26 not Board members.

27 (2) The Board may establish the term and manner of selection of the  
 28 membership of a committee.

29 10-823.

30 (a) ~~¶The Center shall serve as a clearinghouse for~~ MAY DISSEMINATE  
 31 information and materials that may be pertinent to clean energy technology, education,  
 32 and deployment FINANCING, AND DEVELOPMENT in the State, for persons engaged in

1 the clean energy industry as developers, manufacturers, and installers, as well as for  
 2 consumers and financial institutions, including information on available federal, State, and  
 3 private financial assistance and technical assistance.

4 (b)† The Center may:

5 (1) cooperate with and provide assistance to local governments,  
 6 instrumentalities, and research entities in the State; and

7 (2) coordinate clean energy technology development, education, and  
 8 deployment activities with programs of the federal government and of governmental units  
 9 and public and private entities in and outside the State.

10 ~~(B)~~ (C) THE CENTER ~~SHALL~~ MAY CONDUCT THE ACTIVITIES UNDER THIS  
 11 SECTION IN CONSULTATION WITH THE ADMINISTRATION.

12 (D) THE MARYLAND ENVIRONMENTAL SERVICE, THE MARYLAND  
 13 ECONOMIC DEVELOPMENT CORPORATION, AND OTHER STATE ECONOMIC  
 14 DEVELOPMENT UNITS SHALL COOPERATE WITH THE CENTER AND MAY MAKE  
 15 AVAILABLE TO THE CENTER RESOURCES AND EXPERTISE FOR THE EVALUATION OF  
 16 PROJECT FINANCING AND COORDINATION OF FINANCING BETWEEN THE CENTER  
 17 AND OTHER ECONOMIC DEVELOPMENT UNITS.

18 10–825.

19 (A) The books and records of the Center are subject to audit:

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

21 (2) each year by an independent auditor.

22 (B) THE CENTER SHALL PUBLISH ITS ANNUAL AUDITS ON ITS WEB SITE.

23 PART III. MARYLAND ENERGY INNOVATION INSTITUTE.

24 10–828.

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

27 (B) “ACADEMIC INSTITUTION” MEANS A PUBLIC SENIOR HIGHER  
 28 EDUCATION INSTITUTION OR AN INDEPENDENT INSTITUTION OF HIGHER  
 29 EDUCATION IN THE STATE, AS THOSE TERMS ARE DEFINED IN § 10–101 OF THE  
 30 EDUCATION ARTICLE.



1 (C) "FUND" MEANS THE MARYLAND ENERGY INNOVATION FUND.

2 (D) "INSTITUTE" MEANS THE MARYLAND ENERGY INNOVATION INSTITUTE.

3 (E) "INSTITUTE BOARD" MEANS THE ADVISORY BOARD OF THE MARYLAND  
4 ENERGY INNOVATION INSTITUTE.

5 (F) "INSTITUTE DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND  
6 ENERGY INNOVATION INSTITUTE.

7 10-829.

8 (A) THERE IS A MARYLAND ENERGY INNOVATION INSTITUTE.

9 (B) THE INSTITUTE IS A PART OF THE A. JAMES CLARK SCHOOL OF  
10 ENGINEERING OF THE UNIVERSITY OF MARYLAND.

11 (C) THE A. JAMES CLARK SCHOOL OF ENGINEERING SHALL MANAGE THE  
12 INSTITUTE ACCORDING TO THE POLICIES OF THE UNIVERSITY OF MARYLAND AND  
13 THE UNIVERSITY SYSTEM OF MARYLAND WITH THE ADVICE OF THE INSTITUTE  
14 BOARD.

15 (D) THE PURPOSES OF THE INSTITUTE ARE TO:

16 (1) COLLABORATE WITH ACADEMIC INSTITUTIONS IN THE STATE TO  
17 PARTICIPATE IN CLEAN ENERGY PROGRAMS; AND

18 (2) DEVELOP AND ATTRACT PRIVATE INVESTMENT IN CLEAN ENERGY  
19 INNOVATION AND COMMERCIALIZATION IN THE STATE.

20 (E) THE EXERCISE BY THE INSTITUTE OF THE POWERS CONFERRED BY THIS  
21 PART IS THE PERFORMANCE OF AN ESSENTIAL GOVERNMENTAL FUNCTION.

22 10-830.

23 (A) (1) THERE IS AN ADVISORY BOARD OF THE INSTITUTE.

24 (2) THE INSTITUTE BOARD ADVISES THE UNIVERSITY OF MARYLAND  
25 ON THE MANAGEMENT OF THE INSTITUTE.

26 (B) THE INSTITUTE BOARD CONSISTS OF THE FOLLOWING NINE MEMBERS:

27 (1) THE CHAIR OF THE BOARD OF DIRECTORS OF THE MARYLAND  
28 CLEAN ENERGY CENTER;

1           (2)    THE DIRECTOR; AND

2           (3)    SEVEN MEMBERS SELECTED BY THE UNIVERSITY OF MARYLAND  
3 BASED ON EXPERTISE IN ENERGY TECHNOLOGY COMMERCIALIZATION, THE CLEAN  
4 ENERGY INDUSTRY, VENTURE CAPITAL FINANCING, AND ENERGY RESEARCH.

5           (C)    A MEMBER OF THE INSTITUTE BOARD:

6                (1)    MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
7 INSTITUTE BOARD; BUT

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

10           (D)    ~~(1)    THE TERM OF AN APPOINTED MEMBER IS 4 YEARS AND BEGINS ON~~  
11 ~~JULY 1.~~

12                ~~(2)    THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS~~  
13 ~~REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON JULY 1, 2017.~~

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

16                ~~(4)    A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES~~  
17 ~~ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.~~

18           ~~(E)~~    FROM AMONG ITS MEMBERS, THE INSTITUTE BOARD SHALL ELECT A  
19 CHAIR AND A VICE CHAIR.

20    10-831.

21           (A)    THE INSTITUTE BOARD SHALL DETERMINE THE TIMES AND PLACES OF  
22 ITS MEETINGS.

23           (B)    (1)    SEVEN MEMBERS OF THE INSTITUTE BOARD ARE A QUORUM.

24                (2)    THE INSTITUTE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF  
25 FIVE MEMBERS.

26    10-832.

27           (A)    (1)    THE DIRECTOR OF THE UNIVERSITY OF MARYLAND ENERGY  
28 RESEARCH CENTER, A UNIVERSITY OF MARYLAND FACULTY MEMBER, SHALL BE  
29 THE DIRECTOR OF THE INSTITUTE.

1           **(2) THE INSTITUTE DIRECTOR SHALL APPOINT AN ASSOCIATE**  
2 **DIRECTOR WHO SHALL BE A UNIVERSITY OF MARYLAND FACULTY MEMBER.**

3           **(B) THE INSTITUTE DIRECTOR, OR THE INSTITUTE DIRECTOR'S DESIGNEE,**  
4 **SHALL:**

5           **(1) ATTEND ALL MEETINGS OF THE INSTITUTE BOARD;**

6           **(2) ACT AS SECRETARY TO THE INSTITUTE BOARD;**

7           **(3) KEEP MINUTES OF ALL PROCEEDINGS OF THE INSTITUTE BOARD;**

8           **(4) APPROVE ALL SALARIES, PER DIEM PAYMENTS, AND ALLOWABLE**  
9 **EXPENSES OF THE INSTITUTE, ITS EMPLOYEES, AND ITS CONSULTANTS;**

10           **(5) APPROVE ANY EXPENSES INCIDENTAL TO THE OPERATION OF THE**  
11 **INSTITUTE; AND**

12           **(6) PERFORM THE OTHER DUTIES THE INSTITUTE BOARD DIRECTS IN**  
13 **CARRYING OUT THIS PART.**

14 **10-833.**

15           **THE INSTITUTE MAY RETAIN ANY STAFF OR CONSULTANTS.**

16 **10-834.**

17           **THE INSTITUTE MAY:**

18           **(1) MAINTAIN OFFICES AT THE UNIVERSITY OF MARYLAND,**  
19 **COLLEGE PARK;**

20           **(2) COORDINATE AND PROMOTE ENERGY RESEARCH AND EDUCATION**  
21 **AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK, INCLUDING ITS RELEVANT**  
22 **ENERGY CENTERS, AS WELL AS AT OTHER ACADEMIC INSTITUTIONS;**

23           **(3) PROVIDE ENERGY POLICY INNOVATION ADVICE TO STATE AND**  
24 **FEDERAL UNITS;**

25           **(4) COLLABORATE WITH OTHER ACADEMIC INSTITUTIONS,**  
26 **GOVERNMENTAL UNITS, FOUNDATIONS, AND INDUSTRIAL COMPANIES FOR CLEAN**  
27 **ENERGY RESEARCH AND INNOVATION;**

28           **(5) PURSUE GRANTS, OTHER FUNDS, AND IN-KIND CONTRIBUTIONS**  
29 **FOR CLEAN ENERGY RESEARCH AND INNOVATION;**

1           **(6) PROVIDE SEED GRANT FUNDING TO ACADEMIC**  
2 **INSTITUTION–BASED ENTREPRENEURS OR ENTITIES, IN ORDER TO PROMOTE THE**  
3 **COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR**  
4 **PARTLY BY AN ACADEMIC INSTITUTION, BUT NOT DUPLICATE EXISTING SEED**  
5 **GRANTS MADE THROUGH THE MARYLAND TECHNOLOGY DEVELOPMENT**  
6 **CORPORATION;**

7           **(7) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE**  
8 **INSTITUTE TO JOINTLY MANAGE, OPERATE, AND MAINTAIN FACILITIES FOR A CLEAN**  
9 **ENERGY INCUBATOR AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;**

10           **(8) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE**  
11 **INSTITUTE TO EXPAND MARYLAND INDUSTRIAL PARTNERSHIP AWARDS TO**  
12 **PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES**  
13 **DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;**

14           **(9) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE**  
15 **INSTITUTE AND THE UNIVERSITY OF MARYLAND OFFICE OF TECHNOLOGY**  
16 **COMMERCIALIZATION TO:**

17           **(I) IDENTIFY ENERGY TECHNOLOGIES AT ACADEMIC**  
18 **INSTITUTIONS THAT MAY BE VIABLE FOR COMMERCIALIZATION; AND**

19           **(II) PROVIDE GRANT FUNDING AND INVESTMENT FINANCING TO**  
20 **COVER PATENT, FACILITIES, AND OTHER COSTS NOT ALLOWED UNDER FEDERAL OR**  
21 **STATE RESEARCH GRANTS TO AN ACADEMIC INSTITUTION–BASED ENTREPRENEUR**  
22 **OR ENTITY, IN ORDER TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY**  
23 **TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;**

24           **(10) COORDINATE INCUBATION AND POTENTIAL FINANCING OF**  
25 **ACADEMIC INSTITUTION–BASED ENTREPRENEURS OR ENTITIES WITH RESOURCES**  
26 **PROVIDED BY THE CENTER;**

27           **(11) WORK CLOSELY WITH STATE UNITS, INDUSTRIAL PARTNERS,**  
28 **NONGOVERNMENTAL ORGANIZATIONS, AND FEDERAL AGENCIES AND**  
29 **LABORATORIES TO ENSURE EFFECTIVE IMPLEMENTATION AND EXECUTION OF THE**  
30 **STATE’S ENERGY MISSION AND VISION, IN COLLABORATION WITH THE**  
31 **ADMINISTRATION;**

32           **(12) UNDERGO PERIODIC REVIEWS EVERY 5 YEARS CONSISTENT WITH**  
33 **UNIVERSITY SYSTEM OF MARYLAND POLICIES; AND**

1           **(13) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE**  
2 **POWERS GRANTED BY THIS PART.**

3 **10-835.**

4           **(A) (1) THERE IS A MARYLAND ENERGY INNOVATION FUND IN THE**  
5 **UNIVERSITY SYSTEM OF MARYLAND.**

6                   **(2) THE FUND SHALL BE USED BY THE INSTITUTE AND THE CENTER.**

7           **(B) (1) THE INSTITUTE:**

8                   **(I) MAY USE THE FUND TO:**

9                           **1. CARRY OUT THE PURPOSES OF THIS SUBTITLE,**  
10 **INCLUDING THE PURPOSES LISTED IN § 10-834 OF THIS SUBTITLE;**

11                           **2. PURCHASE ADVISORY SERVICES AND TECHNICAL**  
12 **ASSISTANCE TO BETTER SUPPORT ECONOMIC DEVELOPMENT; AND**

13                           **3. PAY THE ADMINISTRATIVE, LEGAL, AND ACTUARIAL**  
14 **EXPENSES OF THE INSTITUTE; AND**

15                   **(II) SHALL USE THE FUND FOR THE ADMINISTRATIVE AND**  
16 **OPERATING COSTS OF THE CENTER.**

17           **(2) THE CENTER MAY USE THE FUND TO:**

18                   **(I) MAKE A GRANT OR A LOAN UNDER THIS SUBTITLE, AT THE**  
19 **RATE OF INTEREST THE CENTER SETS;**

20                   **(II) PROVIDE EQUITY INVESTMENT FINANCING FOR A BUSINESS**  
21 **ENTERPRISE UNDER THIS SUBTITLE; AND**

22                   **(III) GUARANTEE A LOAN, AN EQUITY, AN INVESTMENT, OR ANY**  
23 **OTHER PRIVATE FINANCING TO EXPAND THE CAPITAL RESOURCES OF A BUSINESS**  
24 **ENTERPRISE UNDER THIS SUBTITLE.**

25           **(C) THE INSTITUTE SHALL MANAGE AND SUPERVISE THE FUND.**

26           **(D) (1) THE FUND IS A SPECIAL, NONLAPSING REVOLVING FUND THAT IS**  
27 **NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**  
28 **PROCUREMENT ARTICLE.**

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

3           **(E) THE FUND CONSISTS OF:**

4           **(1) MONEY APPROPRIATED BY THE STATE TO THE FUND;**

5           **(2) MONEY ~~MADE AVAILABLE~~ CONTRIBUTED TO THE FUND THROUGH**  
6 **FEDERAL PROGRAMS OR PRIVATE ~~CONTRIBUTIONS~~ ENTITIES;**

7           **(3) REPAYMENT OF PRINCIPAL OF A LOAN MADE FROM THE FUND;**

8           **(4) PAYMENT OF INTEREST ON A LOAN MADE FROM THE FUND;**

9           **(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY**  
10 **THE CENTER OF COLLATERAL RELATED TO FINANCING THAT THE CENTER**  
11 **PROVIDES ~~UNDER THIS PART~~ FROM THE FUND;**

12           **(6) PREMIUMS, FEES, ROYALTIES, INTEREST, REPAYMENTS OF**  
13 **PRINCIPAL, AND RETURNS ON INVESTMENTS PAID TO THE CENTER BY OR ON**  
14 **BEHALF OF:**

15           **(I) A BUSINESS ENTERPRISE IN WHICH THE CENTER HAS MADE**  
16 **AN INVESTMENT ~~UNDER THIS PART~~ FROM THE FUND; OR**

17           **(II) AN INVESTOR PROVIDING AN INVESTMENT GUARANTEED BY**  
18 **THE CENTER ~~UNDER THIS PART~~ FROM THE FUND;**

19           **(7) RECOVERY OF AN INVESTMENT MADE BY THE CENTER IN A**  
20 **BUSINESS ENTERPRISE ~~UNDER THIS SUBTITLE~~ FROM THE FUND, INCLUDING AN**  
21 **ARRANGEMENT UNDER WHICH THE CENTER'S INVESTMENT IN THE BUSINESS**  
22 **ENTERPRISE IS RECOVERED THROUGH:**

23           **(I) A REQUIREMENT THAT THE FUND RECEIVE A PROPORTION**  
24 **OF CASH FLOW, COMMISSION, ROYALTY, OR PAYMENT ON A PATENT; OR**

25           **(II) THE REPURCHASE FROM THE CENTER OF ANY EVIDENCE OF**  
26 **INDEBTEDNESS OR OTHER FINANCIAL PARTICIPATION MADE FROM THE FUND,**  
27 **INCLUDING A NOTE, STOCK, BOND, OR DEBENTURE;**

28           **(8) REPAYMENT OF A CONDITIONAL GRANT EXTENDED BY THE**  
29 **CENTER FROM THE FUND; AND**

1           **(9) ANY OTHER MONEY MADE AVAILABLE TO THE INSTITUTE FOR THE**  
2 **FUND.**

3           **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY IN THE SAME**  
4 **MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

5           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
6 **THE FUND.**

7           **(G) MONEY EXPENDED FROM THE FUND UNDER THIS SUBTITLE IS**  
8 **SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT**  
9 **OTHERWISE WOULD BE APPROPRIATED FOR THE CENTER, THE INSTITUTE, OR ANY**  
10 **PART OF THE UNIVERSITY SYSTEM OF MARYLAND.**

11 **10-836.**

12           **THE INSTITUTE IS EXEMPT FROM STATE AND LOCAL TAXES.**

13 **10-837.**

14           **THE BOOKS AND RECORDS OF THE INSTITUTE ARE SUBJECT TO AUDIT:**

15           **(1) AT ANY TIME BY THE STATE; AND**

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

18 **10-838.**

19           **THE INSTITUTE AND THE CENTER ARE INDEPENDENT ENTITIES THAT ARE**  
20 **NOT LIABLE OR RESPONSIBLE FOR EACH OTHER'S DEBTS, LIABILITIES, BONDS, OR**  
21 **OBLIGATIONS.**

22 **10-839.**

23           **(A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE INSTITUTE SHALL REPORT**  
24 **TO THE GOVERNOR, THE ADMINISTRATION, AND, IN ACCORDANCE WITH § 2-1246**  
25 **OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

26           **(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL**  
27 **STATEMENT COVERING THE INSTITUTE'S OPERATIONS AND A SUMMARY OF THE**  
28 **INSTITUTE'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.**

1 6–226.

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

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

10 94. the Community Program Fund; [and]

11 95. the Maryland Corps Program Fund; AND

12 **96. THE MARYLAND ENERGY INNOVATION FUND.**

13 SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal years 2018, 2019,  
14 2020, 2021, and 2022, in each year, \$1,500,000 shall be transferred from the Strategic  
15 Energy Investment Fund established under § 9–20B–05 of the State Government Article  
16 to the Maryland Energy Innovation Fund established under § 10–835 of the Economic  
17 Development Article, as enacted by Section 2 of this Act.

18 SECTION 4. AND BE IT FURTHER ENACTED, That the ~~terms of the initial~~  
19 ~~members of the Advisory Board of the Maryland Energy Innovation Institute shall expire~~  
20 ~~as follows:~~

21 ~~(1) two members in 2019;~~

22 ~~(2) two members in 2020; and~~

23 ~~(3) three members in 2021~~ Maryland Clean Energy Center shall:

24 (1) establish a work plan to become self-sustaining within 5 years after the  
25 effective date of this Act using funding provided under this Act and other funding that the  
26 Center may obtain, and projected revenues from project financing activities of the Center  
27 under Title 10, Subtitle 8 of the Economic Development Article; and

28 (2) submit a report, which may be part of its annual report, on or before  
29 December 1, 2019, to the Governor and, in accordance with § 2–1246 of the State  
30 Government Article, the General Assembly on the Center's:

31 (i) progress since enactment of this Act to become self-sustaining  
32 with its current activities and funding and revenue levels; and



1                   (ii) recommendations for changes, including additional necessary  
2 funding, to continue on the trajectory path to reach the goal to become self-sustaining  
3 within 5 years.

4           SECTION 5. AND BE IT FURTHER ENACTED, That:

5           (1)     the Maryland Energy Innovation Institute, established by Section 2 of  
6 this Act, shall study and evaluate:

7           (i)     the availability and efficiency of the use of funds for the  
8 development and deployment of clean energy technology in the State and the  
9 commercialization of that technology, including funds from the Strategic Energy  
10 Investment Fund, and other practical forms of financing;

11           (ii)    the forecast need, if any, for additional funding or financing  
12 options for these purposes; and

13           (iii)  appropriate sources and levels of funding and financing options  
14 for these purposes; and

15           (2)     on or before December 1, 2019, the Institute shall submit a report of its  
16 findings and recommendations under this section to the Governor, the Maryland Energy  
17 Administration, and, in accordance with § 2-1246 of the State Government Article, the  
18 General Assembly.

19           SECTION 6. AND BE IT FURTHER ENACTED, That the existing outstanding loan  
20 obligations to the Maryland Energy Administration by the Maryland Clean Energy Center  
21 as of the effective date of this Act shall be converted to a grant from the Maryland Energy  
22 Administration to the Maryland Clean Energy Center.

23           ~~SECTION 6.~~ 7. AND BE IT FURTHER ENACTED, That a presently existing  
24 obligation or contract right may not be impaired in any way by this Act.

25           ~~SECTION 7.~~ 8. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 2017.