

SENATE BILL 747

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By: **The President (By Request – Department of Legislative Services)**

Introduced and read first time: February 3, 2020

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: March 3, 2020

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Maryland Technology Development Corporation –**
3 **Revision**

4 FOR the purpose of revising, restating, and recodifying the laws of the State relating to the
5 Maryland Technology Development Corporation; making certain technical and
6 stylistic changes; requiring the Maryland Technology Development Corporation to
7 review certain provisions of the Annotated Code of Maryland and report to the
8 General Assembly on or before a certain date; providing for the construction of this
9 Act; authorizing the publisher of the Annotated Code to make certain corrections in
10 a certain manner; and generally relating to the Maryland Technology Development
11 Corporation.

12 BY repealing and reenacting, with amendments,

13 Article – Economic Development

14 Section 10–401, 10–403, 10–409, 10–432, 10–454, 10–457, 10–459, and 10–463;
15 10–468 through 10–470 to be under the amended part “Part VII. Enterprise
16 Fund”; 10–473 through 10–478 to be under the new subtitle “Subtitle 4A.
17 Invest Maryland Program” and the new part “Part I. General Provisions”;
18 10–481 through 10–484 to be under the amended part “Part II. Designated
19 Capital”; 10–487 through 10–494 to be under the amended part “Part III.
20 Venture Firms and Investments”; and 10–496 through 10–499 to be under the
21 amended part “Part IV. Miscellaneous”

22 Annotated Code of Maryland

23 (2018 Replacement Volume and 2019 Supplement)

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 BY repealing and reenacting, without amendments,
2 Article – Economic Development
3 Section 10–402, 10–404 through 10–408, 10–410 through 10–415, 10–418 through
4 10–426, 10–429 through 10–431, 10–434 through 10–442, 10–445 through
5 10–451, 10–455, 10–456, 10–458, 10–460, 10–464, and 10–465
6 Annotated Code of Maryland
7 (2018 Replacement Volume and 2019 Supplement)

8 BY repealing
9 Article – Economic Development
10 The part designation “Part VIII. Maryland Venture Fund Authority” immediately
11 preceding Section 10–473
12 Annotated Code of Maryland
13 (2018 Replacement Volume and 2019 Supplement)

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

16 **Article – Economic Development**

17 Subtitle 4. Maryland Technology Development Corporation.

18 Part I. General Provisions.

19 10–401.

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

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

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

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

25 (e) [“Improvement” means addition, alteration, construction, equipping,
26 expansion, extension, improvement, installation, reconstruction, rehabilitation,
27 remodeling, or repair.

28 (f) “Investment committee” means a committee appointed by the Board to advise
29 on and approve investments as required under this subtitle.

30 [(g)] (F) “Principal business operations” means the headquarters from which the
31 business’s officers direct, control, and coordinate the business’s activities.

32 [(h)] (G) “Qualified business” means a business that, at the time of the first
33 investment in the business under a program of the Corporation, except as otherwise

1 provided in this subtitle:

2 (1) (i) has its principal business operations located in the State, has
3 over half its workforce working in the State, and intends to maintain its principal business
4 operations in the State after receiving an investment under the program; or

5 (ii) is a business or start-up business that is approved by the
6 investment committee and will, as a result of the investment, have a substantial economic
7 impact in the State through job creation, capital investment, and contribution to the State's
8 technology ecosystem;

9 (2) has agreed to use the investment primarily to:

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

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

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

14 (4) is not primarily engaged in:

15 (i) retail sales;

16 (ii) real estate development;

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

18 (iv) the provision of professional services by accountants, attorneys,
19 or physicians.

20 10-402.

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

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

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

25 (1) assist in transferring to the private sector the results and products of
26 scientific research and development conducted by colleges, universities, and federal
27 research institutions in the State;

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

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

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;

4 (5) generally assist early-stage and start-up businesses in the State;

5 (6) invest in Maryland-based technology companies and promote the
6 commercialization and growth of technology companies and jobs in the State;

7 (7) build a long-term entrepreneurial capacity and sustained venture
8 capital presence in the State;

9 (8) create pathways to follow-on financing in the State; and

10 (9) foster inclusive and diverse entrepreneurship and innovation
11 throughout the State, which may include initiatives to raise awareness of programs to
12 assist small, minority, and women-owned businesses through marketing and other efforts.

13 10-403.

14 (a) (1) A Board of Directors shall manage the Corporation and its units and
15 exercise its corporate powers.

16 (2) (i) **[A] THE** Board of Directors may appoint members of an advisory
17 committee.

18 (ii) If **[a] THE** Board of Directors appoints an advisory committee,
19 the Board shall adopt policies establishing the responsibilities of the advisory committee.

20 (b) The Board consists of the following 15 members:

21 (1) the Secretary or the Secretary's designee; and

22 (2) fourteen members appointed by the Governor with the advice and
23 consent of the Senate:

24 (i) two representing the nonprofit research sector of the State;

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

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

27 (iv) two representing colleges and universities; and

28 (v) three members of the general public.

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

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

3 (1) diversity; and

4 (2) all geographic regions of the State.

5 (e) A member of the Board:

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

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

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

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

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

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

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

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

19 (i) The Board may act with an affirmative vote of nine Board members.

20 10-404.

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

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

24 10-405.

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

26 (b) (1) The Attorney General shall assign to the Corporation assistant
27 Attorneys General.

1 (2) The Attorney General shall designate one assistant Attorney General
2 as general counsel to the Corporation.

3 (3) (i) The general counsel to the Corporation shall:

4 1. advise the Executive Director, Board of Directors, and any
5 other official of the Corporation as requested by the Corporation;

6 2. supervise the other assistant Attorneys General assigned
7 to the Corporation; and

8 3. perform for the Corporation other duties the Attorney
9 General assigns.

10 (ii) The general counsel may not provide any other assistance not
11 specified in subparagraph (i) of this paragraph.

12 (c) With the approval of the Attorney General, the Corporation may retain any
13 additional necessary lawyers.

14 10–406.

15 The Corporation may retain any necessary accountants, engineers, financial
16 advisors, or other consultants.

17 10–407.

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

20 (1) Title 10 and Division II of the State Finance and Procurement Article;
21 and

22 (2) §§ 3–301 and 3–303 of the General Provisions Article.

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

24 (c) The Board, the officers and employees of the Corporation, members of the
25 investment committee, and members of any advisory committee appointed are subject to
26 the Public Ethics Law.

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

30 (e) (1) The Corporation, its Board, and employees are subject to Title 12,
31 Subtitle 4 of the State Finance and Procurement Article.

1 (2) The Board, the officers and employees of the Corporation, the members
2 of the investment committee, and the members of any advisory committee appointed shall
3 disclose to the State Ethics Commission whether they are employed by or have a financial
4 interest in an entity that currently has or will apply for funds or an investment in a program
5 administered by the Corporation.

6 10-408.

7 (a) The Corporation shall adopt regulations establishing:

8 (1) the investment committee;

9 (2) the responsibilities of the investment committee; and

10 (3) the procedures for the appointment of investment committee members.

11 (b) The Corporation may:

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

13 (2) adopt a seal;

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

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

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

18 (6) sue or be sued;

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

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

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

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

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

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

27 (10) create, own, control, or be a member of a corporation, limited liability

1 company, partnership, or other entity, whether operated for profit or not for profit;

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

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

6 10–409.

7 (a) Except as provided in subsection (c) of this section, the Corporation may make
8 grants to or provide equity investment financing for technology–based businesses, if:

9 (1) the investments are made to a qualified business;

10 (2) the investments are made on review and approval of a written
11 application that:

12 (i) contains sufficient information to verify that the qualified
13 business has its principal business operations in the State or will have a substantial
14 economic impact on the State; and

15 (ii) contains a certification of the veracity of the information by an
16 authorized signatory of the qualified business; and

17 (3) at least the number of members that constitutes a quorum of any fund
18 or authority has been appointed under the requirements for that fund or authority.

19 (b) In regard to any and all programs of the Corporation, except as otherwise
20 provided in this subtitle **AND SUBTITLE 4A OF THIS TITLE**, the Corporation shall adopt
21 regulations to govern investments under this subsection that specify:

22 (1) the types of qualified businesses in which an investment may be made;

23 (2) the basic standards an enterprise shall meet to qualify for an
24 investment;

25 (3) the amount of money available for investment;

26 (4) the investment policy statement of the Corporation that describes the
27 procedures, criteria, investment philosophy, and guidelines for how the Corporation’s
28 investment decisions will be made; and

29 (5) a process for the consideration of whether investments help to foster
30 inclusive and diverse entrepreneurship, including the Corporation’s support for marketing
31 and other efforts to raise awareness of programs to assist small, minority, and
32 women–owned businesses.

1 (c) The Corporation may make investments under an agreement with the Board
2 of Trustees for the State Retirement and Pension System under § 21–123.2 of the State
3 Personnel and Pensions Article.

4 10–410.

5 The Corporation may:

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

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

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

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

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

15 10–411.

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

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

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

20 10–412.

21 Colleges and universities may:

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

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

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

26 10–413.

27 The Corporation is exempt from State and local taxes.

1 10-414.

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

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

4 (2) each year by an independent auditor.

5 10-415.

6 (a) (1) On or before October 1 of each year, the Corporation shall report to the
7 Governor, the Maryland Economic Development Commission, and, in accordance with §
8 2-1257 of the State Government Article, the General Assembly.

9 (2) The report required under this subsection shall include:

10 (i) a complete operating and financial statement covering the
11 Corporation's operations;

12 (ii) a summary of the Corporation's activities during the preceding
13 fiscal year;

14 (iii) information on all salaries and any incentives approved by the
15 Board for Corporation employees;

16 (iv) information on outreach, training, mentorship, support, and
17 investment in minority and women-owned qualified businesses, including support for
18 marketing by the Maryland Small Business Development Financing Authority;

19 (v) information on entities that have current investments and
20 entities that received funding or investments in the current year on the:

21 1. principal business operations;

22 2. number of employees in the State and the number of
23 employees outside the State;

24 3. capital or other investments made in the State; and

25 4. proposed and actual job creation or capital investment in
26 the State as a result of the investment or support;

27 (vi) a list of businesses that have received funding that would no
28 longer qualify as a qualified business; and

29 (vii) information on the creation of and appointments made to an
30 advisory committee and the responsibilities of the advisory committee and members of the

1 committee.

2 (b) (1) On a quarterly basis, the Corporation shall report to the Governor, the
3 Maryland Economic Development Commission, and, in accordance with § 2–1257 of the
4 State Government Article, the Joint Audit and Evaluation Committee and the General
5 Assembly.

6 (2) The report required under this subsection shall include a list of the
7 qualified businesses or other businesses receiving support through programs administered
8 by the Corporation, including those receiving investments made under § 21–123.2 of the
9 State Personnel and Pensions Article.

10 (3) The list of qualified businesses or other businesses receiving support
11 shall include for each business:

12 (i) the number of employees in the State;

13 (ii) the number of employees outside the State;

14 (iii) the capital or other investments made in the State; and

15 (iv) proposed job creation or capital investment in the State as a
16 result of the investment or support.

17 Part II. Maryland Technology Incubator Program.

18 10–418.

19 (a) In this part the following words have the meanings indicated.

20 (b) “Financial assistance” means a grant, loan, credit enhancement, or similar
21 assistance.

22 (c) “Program” means the Maryland Technology Incubator Program.

23 10–419.

24 (a) There is a Maryland Technology Incubator Program.

25 (b) The Corporation shall administer the Program.

26 10–420.

27 The purpose of the Program is to promote entrepreneurship and the creation of jobs
28 in technology–related industry by establishing and operating effective incubators
29 throughout the State that provide adequate physical space designed, and programs
30 intended, to increase or accelerate business success in the field of technology.

1 10-421.

2 To carry out the purposes of the Program, the Board shall award financial assistance
3 under this part.

4 10-422.

5 The Board may award financial assistance using money provided by the State, the
6 federal government, or a nongovernmental entity.

7 10-423.

8 (a) After consulting with the Secretary, the Board shall adopt standards to award
9 financial assistance.

10 (b) The standards shall authorize the award of financial assistance to:

11 (1) support the development and use of best practices in the incubation
12 process;

13 (2) provide strategic planning, needs assessments, and feasibility studies;
14 or

15 (3) help acquire or improve new or expanded space or improve existing
16 space for an incubator, including providing or helping another with:

17 (i) acquisition of land;

18 (ii) acquisition of architectural or engineering services;

19 (iii) payment of administrative costs;

20 (iv) development or upgrading of communications infrastructure;

21 (v) acquisition of furnishings or equipment; or

22 (vi) acquisition of other items associated with tenant build-out.

23 10-424.

24 The Board may award financial assistance to:

25 (1) a local government;

26 (2) an agency, instrumentality, or nonprofit corporation that the local
27 government designates;

1 (g) “Institutional review board” has the meaning stated in the federal regulations
2 on the protection of human subjects.

3 (h) “Oocyte” means a female germ cell or egg.

4 (i) “State-funded stem cell research” means stem cell research conducted with
5 State money and using:

6 (1) material obtained in accordance with § 10–438 of this subtitle; or

7 (2) adult stem cells.

8 (j) “Stem cell” means a human cell that has the ability to:

9 (1) divide indefinitely;

10 (2) give rise to many other types of specialized cells; and

11 (3) give rise to new stem cells with identical potential.

12 (k) “Valuable consideration” means financial gain or advantage in connection
13 with material obtained in accordance with § 10–438 of this subtitle.

14 10–430.

15 Nothing in this part may be construed to prohibit the creation of stem cell lines to be
16 used for therapeutic research purposes.

17 10–431.

18 (a) There is a Stem Cell Research Commission.

19 (b) The Commission is an independent commission that functions in the
20 Corporation.

21 (c) The Commission consists of the following members:

22 (1) the Attorney General or the Attorney General’s designee;

23 (2) three patient advocates, one appointed by the Governor, one appointed
24 by the President of the Senate, and one appointed by the Speaker of the House of Delegates;

25 (3) three individuals with experience in biotechnology, one appointed by
26 the Governor, one appointed by the President of the Senate, and one appointed by the
27 Speaker of the House of Delegates;

28 (4) two individuals who work as scientists for the University System of

1 Maryland and do not engage in stem cell research, appointed by the University System of
2 Maryland;

3 (5) two individuals who work as scientists for the Johns Hopkins
4 University and do not engage in stem cell research, appointed by the Johns Hopkins
5 University;

6 (6) two bioethicists, one appointed by the University System of Maryland
7 and one appointed by the Johns Hopkins University; and

8 (7) two individuals with expertise in the field of biomedical ethics as it
9 relates to religion, appointed by the Governor.

10 (d) (1) The term of an appointed member is 2 years.

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

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

15 (4) An appointed member may not serve more than three consecutive full
16 terms.

17 (5) An appointed 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 qualifies.

19 (e) Each member of the Commission shall disclose to the State Commission on
20 Ethics whether the member is employed by or has a financial interest in an entity that may
21 apply to conduct State-funded stem cell research.

22 (f) The members of the Commission shall elect a chair from among the appointed
23 members of the Commission.

24 (g) A majority of the full authorized membership of the Commission is a quorum.

25 (h) The Commission shall meet at least twice a year.

26 (i) A member of the Commission:

27 (1) may not receive compensation as a member of the Commission; but

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

30 (j) The Commission may employ a staff, including contractual staff, in accordance
31 with the State budget.

1 10-432.

2 (a) The Commission shall:

3 (1) adopt regulations that ensure that adult stem cell and stem cell
4 research financed by the Fund complies with State law;

5 (2) develop criteria, standards, and requirements for the initial review of
6 grant and loan applications by the Commission;

7 (3) review grant and loan applications to ensure that each application is
8 complete and satisfies the criteria, standards, and requirements developed by the
9 Commission, including approval by an institutional review board;

10 (4) establish procedures and guidelines to be used by the committee for the
11 review, evaluation, ranking, and rating of research proposals for State-funded stem cell
12 research;

13 (5) ensure that the procedures and guidelines established under item (4) of
14 this subsection are based on the guidelines of the National Institutes of Health Center for
15 Scientific Review;

16 (6) establish criteria, standards, and requirements for consideration of
17 grant and loan applications based on the rankings and ratings of the committee;

18 (7) make recommendations consistent with the criteria, standards, and
19 requirements established by the Commission and based on the rankings and ratings of the
20 committee regarding the award of grants and loans from the Fund;

21 (8) establish standards for the oversight and use of awards;

22 (9) conduct progress oversight reviews of recipients;

23 (10) notify the Corporation regarding the submission by a recipient, or
24 failure of a recipient, to submit institutional review board approval for a grant or loan
25 awarded under this [subtitle] PART; and

26 (11) develop guidelines on disclosure and recusal to be followed by members
27 of the Commission when considering grant and loan applications.

28 (b) The Commission may consult with experts in performing its duties.

29 10-434.

30 (a) There is a Maryland Stem Cell Research Fund.

1 (b) The purpose of the Fund is to promote State-funded stem cell research and
2 cures through grants and loans to public and private entities in the State.

3 (c) The Corporation shall administer the Fund.

4 (d) (1) The Fund is a special, nonlapsing fund that is not subject to reversion
5 under § 7-302 of the State Finance and Procurement Article.

6 (2) The Treasurer shall hold the Fund separately, and the Comptroller
7 shall account for the Fund.

8 (e) The Fund consists of:

9 (1) appropriations as provided in the State budget; and

10 (2) any other money from any other source accepted for the benefit of the
11 Fund.

12 (f) Money in the Fund may only be used to:

13 (1) award grants and loans for State-funded stem cell research, in
14 accordance with the recommendations of the Commission;

15 (2) award grants and loans for facilities, capital leases, and capital
16 equipment where State-funded stem cell research is conducted, in accordance with the
17 recommendations of the Commission; and

18 (3) pay the costs necessary to administer the Fund.

19 (g) (1) The Treasurer shall invest the money in the Fund in the same manner
20 as other State money may be invested.

21 (2) Any investment earnings shall be paid into the Fund.

22 (h) (1) The Governor may include in the State budget bill each fiscal year an
23 appropriation to the Fund.

24 (2) Expenditures from the Fund may only be made in accordance with an
25 appropriation approved by the General Assembly in the State budget or by an approved
26 budget amendment.

27 10-435.

28 (a) A grant or loan awarded under this part is contingent on the recipient:

29 (1) submitting to the Commission approval from an institutional review
30 board; and

1 (2) entering into a memorandum of understanding with the Corporation
2 that:

3 (i) establishes the scope of the State's ownership or other financial
4 interest in the commercialization and other benefits of the results, products, inventions,
5 and discoveries of State-funded stem cell research; and

6 (ii) to the extent consistent with federal and State law, reflects the
7 intellectual property policies of the institution.

8 (b) A recipient shall submit the approval required under subsection (a)(1) of this
9 section within 6 months after the award of the grant or loan.

10 (c) The Corporation may not disburse grant or loan money to a recipient until:

11 (1) the recipient has obtained the approval required under subsection (a)(1)
12 of this section; and

13 (2) the recipient and the Corporation have entered into the memorandum
14 of understanding required under subsection (a)(2) of this section.

15 10-436.

16 (a) The Commission shall contract with an independent scientific peer review
17 committee composed of scientifically recognized experts in the field of stem cell research.

18 (b) The committee shall:

19 (1) review, evaluate, rank, and rate research proposals for State-funded
20 stem cell research:

21 (i) based on the procedures and guidelines established by the
22 Commission; and

23 (ii) in a manner that gives due consideration to the scientific,
24 medical, and ethical implications of the research; and

25 (2) make recommendations to the Commission, based on the rankings and
26 ratings awarded to research proposals by the committee, for the award and disbursement
27 of grants and loans under the Fund.

28 (c) A member of the committee:

29 (1) is not eligible to receive a grant or loan for State-funded stem cell
30 research from the Fund;

1 (2) may not reside in the State; and

2 (3) shall be subject to conflict of interest standards that are at least as
3 stringent as the standards on conflict of interest adopted by the National Institutes of
4 Health.

5 10-437.

6 (a) A person who conducts State-funded stem cell research shall conduct the
7 research in a manner that considers the ethical and medical implications of the research.

8 (b) A person who conducts State-funded stem cell research may not engage in
9 any research that intentionally and directly leads to human cloning.

10 10-438.

11 (a) A health care practitioner licensed under the Health Occupations Article who
12 treats individuals for infertility shall:

13 (1) provide individuals with information sufficient to enable them to make
14 an informed and voluntary choice regarding the disposition of any unused material; and

15 (2) present to individuals the option of:

16 (i) storing or discarding any unused material;

17 (ii) donating any unused material for clinical purposes in the
18 treatment of infertility;

19 (iii) except as provided in subsection (b) of this section, donating any
20 unused material for research purposes; and

21 (iv) donating any unused material for adoption purposes.

22 (b) Any unused material donated for State-funded stem cell research may not be
23 an oocyte.

24 (c) An individual who donates any unused material for research purposes under
25 subsection (a)(2) of this section shall provide the health care practitioner with written
26 consent for the donation.

27 10-439.

28 (a) A person may not purchase, sell, transfer, or obtain any material donated in
29 accordance with § 10-438 of this subtitle for valuable consideration.

30 (b) A person may not give valuable consideration to another to encourage the

1 production of material donated in accordance with § 10–438 of this subtitle for the sole
2 purpose of medical research.

3 (c) A person who violates this section is guilty of a misdemeanor and on conviction
4 is subject to imprisonment not exceeding 3 years or a fine not exceeding \$50,000 or both.

5 10–440.

6 (a) A person may not conduct or attempt to conduct human cloning.

7 (b) A person who violates this section is guilty of a felony and on conviction is
8 subject to imprisonment not exceeding 10 years or a fine not exceeding \$200,000 or both.

9 10–441.

10 The Corporation, in consultation with the Commission, shall adopt regulations to
11 establish procedures for making the disbursement of a grant or loan contingent on
12 obtaining the approval of an institutional review board.

13 10–442.

14 (a) On or before January 1 of each year, the Corporation and the Commission
15 shall report to the Governor and, in accordance with § 2–1257 of the State Government
16 Article, the General Assembly on the progress of State–funded stem cell research conducted
17 in accordance with this part.

18 (b) The report shall identify:

19 (1) each recipient of money from the Fund;

20 (2) the amount of money awarded to each recipient; and

21 (3) a description of the type of stem cell research performed by the
22 recipient.

23 Part IV. Coordinating Emerging Nanobiotechnology Research in Maryland Program.

24 10–445.

25 (a) In this part the following words have the meanings indicated.

26 (b) “CENTR Maryland Program” or “Program” means the Coordinating Emerging
27 Nanobiotechnology Research in Maryland Program established under § 10–447 of this
28 subtitle.

29 (c) “Fund” means the Coordinating Emerging Nanobiotechnology Research in
30 Maryland Fund established under § 10–448 of this subtitle.

1 (d) “Nanobiotechnology” means the application of nanotechnology to the life
2 sciences including research relating to the characterization of nanomaterials for health and
3 environmental safety implications.

4 10–446.

5 The General Assembly finds and declares that:

6 (1) nanobiotechnology offers tremendous potential to revolutionize medical
7 and life science research and to enable discoveries that will enrich and improve the quality
8 of life for the people of the State;

9 (2) the provision of funds for nanobiotechnology projects is vital to
10 supporting this emerging technology; and

11 (3) fostering partnerships among federal institutions, private sector
12 entities, and institutions of higher education will help secure the State’s position as a leader
13 in nanobiotechnology research and assist in securing the State’s economic future.

14 10–447.

15 (a) There is a Coordinating Emerging Nanobiotechnology Research in Maryland
16 Program.

17 (b) The purpose of the CENTR Maryland Program is to:

18 (1) support and promote advanced research in nanobiotechnology in the
19 State;

20 (2) support nanobiotechnology research activities at postsecondary
21 education institutions; and

22 (3) establish the State as a key location for nanobiotechnology research and
23 industry.

24 (c) The Corporation shall foster public–private partnerships as feasible to carry
25 out the purpose of the CENTR Maryland Program.

26 10–448.

27 (a) There is a Coordinating Emerging Nanobiotechnology Research in Maryland
28 Fund in the Corporation.

29 (b) (1) The Fund is a special, nonlapsing fund that is not subject to reversion
30 under § 7–302 of the State Finance and Procurement Article.

1 (2) The Treasurer shall hold the Fund separately, and the Comptroller
2 shall account for the Fund.

3 (c) The Fund consists of:

4 (1) appropriations as provided in the State budget; and

5 (2) any other money from any other source accepted for the benefit of the
6 CENTR Maryland Program.

7 (d) The Executive Director of the Corporation, or the Executive Director's
8 designee, shall administer the Fund in accordance with this part and other applicable law.

9 (e) The Fund shall be used to cover the costs of the Program, including any grants
10 that are awarded to eligible recipients.

11 (f) (1) The Treasurer shall invest the money of the Fund in the same manner
12 as other State money may be invested.

13 (2) Any investment earnings of the Fund shall be credited to the Fund.

14 (g) The Legislative Auditor shall audit the accounts and transactions of the Fund
15 as provided in § 2-1220 of the State Government Article.

16 10-449.

17 (a) Within the CENTR Maryland Program, subject to available funding, the
18 Corporation shall award capital and operating grants from the Fund to private sector
19 entities and institutions of higher education in the State to:

20 (1) leverage federal funding for the establishment or construction of
21 research centers in the State;

22 (2) provide pilot funding for faculty at institutions of higher education in
23 the State to develop initial research data for the development of larger grant funding
24 proposals;

25 (3) foster public-private partnerships between private industry and
26 institutions of higher education in the State; and

27 (4) assist with the transfer of nanobiotechnology research into commercial
28 applications.

29 (b) Within the CENTR Maryland Program, the Corporation may award operating
30 grants from the Fund to institutions of higher education that shall include:

31 (1) discovery educational grants to support postdoctorate or graduate-level

1 collaboration with private sector entities on nanobiotechnology projects that:

2 (i) shall be subject to supervision by faculty members; and

3 (ii) require a matching sum, either direct or in-kind, from a private
4 sector entity equivalent to the grant amount;

5 (2) collaborative grants to support research teams from institutions of
6 higher education working with private sector entities on collaborative research projects
7 that:

8 (i) focus on specific application development; and

9 (ii) require a matching sum from the private sector entity equivalent
10 to the grant amount; and

11 (3) prototype grants to enable institutions of higher education and private
12 sector entities to engage in projects that:

13 (i) demonstrate whether a prototype is functional and
14 manufacturable;

15 (ii) demonstrate the cost effectiveness of nanotechnology-related
16 applications; and

17 (iii) shall be matched with an industry grant in an amount of at least
18 \$2 for every \$1 of the prototype grant.

19 10-450.

20 (a) The Corporation shall adopt regulations to establish:

21 (1) a competitive application process; and

22 (2) criteria and procedures for awarding grants from the Fund to eligible
23 recipients.

24 (b) (1) In accordance with this part, all private sector entities in the State and
25 all institutions of higher education in the State may be eligible recipients of grants.

26 (2) Priority for the award of any grant shall be given to those projects that
27 are most likely to:

28 (i) attract significant investment in the State;

29 (ii) leverage significant additional grant or research funding from
30 federal or private sector sources; or

1 (iii) establish the State as a key location for nanobiotechnology
2 research and industry.

3 10–451.

4 The Corporation shall include, as part of its annual report to the Governor and
5 General Assembly under § 10–415 of this subtitle, a detailed description of the grants
6 awarded under this part.

7 Part V. Maryland Innovation Initiative.

8 10–454.

9 (a) In this part the following words have the meanings indicated.

10 (b) “Commercialization” means the process of introducing a new product or
11 technology into the market.

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

13 (d) [“Fund” means the Maryland Innovation Initiative Fund established under §
14 10–457 of this [part] **SUBTITLE**.

15 [(e)] **(D)** “Initiative” means the Maryland Innovation Initiative established
16 under § 10–455 of this [part] **SUBTITLE**.

17 [(f)] **(E)** “Participating members” means the representatives described in §
18 10–455(b) of this [part] **SUBTITLE**.

19 [(g)] **(F)** “Qualifying university” means a public or private university that meets
20 the requirements set forth under § 10–455(c) of this [part] **SUBTITLE**.

21 [(h)] **(G)** “Technology transfer” means the process of converting scientific and
22 technological advances into marketable goods and services.

23 [(i)] **(H)** “University” means a nonprofit, research university located in
24 Maryland.

25 10–455.

26 (a) There is a Maryland Innovation Initiative.

27 (b) The Initiative consists of the following participating members:

28 (1) one official of State government not affiliated with Maryland higher

1 education, or the official's designee, appointed by the Governor;

2 (2) two individuals from the private sector not affiliated with Maryland
3 higher education with experience in commercializing technology in the State, one appointed
4 by the President of the Senate, and one appointed by the Speaker of the House of Delegates;
5 and

6 (3) subject to subsection (c) of this section, the following members
7 appointed by the respective universities:

8 (i) one representative of the Johns Hopkins University;

9 (ii) one representative of Morgan State University;

10 (iii) one representative of University of Maryland Baltimore County;
11 and

12 (iv) two representatives of the University of Maryland, one from the
13 College Park Campus and one from the Baltimore Campus.

14 (c) (1) Subject to paragraph (2) of this subsection, only the universities listed
15 under subsection (b)(3) of this section may qualify for participation in the Initiative.

16 (2) To qualify for participation in the Initiative, a university shall provide,
17 as specified in paragraph (3) of this subsection, a contribution annually to the Initiative to
18 carry out the purposes set forth under this part.

19 (3) (i) To qualify for participation in the Initiative, the following
20 universities shall pay an annual contribution of at least \$200,000:

21 1. Johns Hopkins University;

22 2. University of Maryland, Baltimore Campus; and

23 3. University of Maryland, College Park Campus.

24 (ii) To qualify for participation in the Initiative, the following
25 universities shall pay an annual contribution of at least \$100,000:

26 1. Morgan State University; and

27 2. University of Maryland Baltimore County.

28 (4) A university listed under subsection (b)(3) of this section may elect to
29 withdraw as a participating member for future years on providing 60 days' written notice
30 to the Chair or Executive Director of the Initiative.

1 (d) The participating members of the Initiative shall select a chair from among
2 their members.

3 (e) A participating member of the Initiative:

4 (1) may not receive compensation as a member of the Initiative; but

5 (2) is entitled to reimbursement for expenses under the Standard State
6 Travel Regulations, as provided in the State budget or under the applicable travel
7 regulations of a university if the university reimburses the participating member.

8 (f) The Initiative may employ staff, including an Executive Director.

9 10-456.

10 The purpose of the Initiative is to:

11 (1) promote the commercialization of research conducted in universities in
12 the State;

13 (2) encourage qualifying universities to partner on commercialization and
14 other activities, including with federal laboratories located in Maryland; and

15 (3) facilitate the transfer of technology from universities to commercial
16 industries, by:

17 (i) assessing the viability and value of the technology;

18 (ii) defining and exploiting potential markets for the technology;

19 (iii) identifying funding sources to support the development of the
20 technology; and

21 (iv) developing commercialization strategies.

22 10-457.

23 (a) There is a Maryland Innovation Initiative Fund.

24 (b) The purpose of the Fund is to provide funding for the purposes described in §
25 10-456 of this [part] **SUBTITLE**.

26 (c) The Corporation shall administer the Fund.

27 (d) The Fund consists of:

28 (1) appropriations as provided in the State budget;

1 (2) contributions by the qualifying universities under § 10–455 of this
2 [part] SUBTITLE;

3 (3) grants or funds from federal laboratories located in Maryland;

4 (4) interest or other income earned on the investment of money in the
5 Fund; and

6 (5) any other money accepted for the benefit of the Initiative.

7 (e) Money in the Fund may be used only to:

8 (1) award grants or provide equity investment financing to promote the
9 commercialization of research in accordance with the terms of this part; and

10 (2) pay the costs necessary to administer the Initiative.

11 (f) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
12 the State Finance and Procurement Article.

13 (2) The State Treasurer shall hold the Fund separately, and the
14 Comptroller shall account for the Fund.

15 (3) The State Treasurer shall invest the money in the Fund in the same
16 manner as other State money may be invested.

17 (4) Any investment earnings of the Fund shall be credited to the Fund.

18 10–458.

19 (a) The Initiative may:

20 (1) provide grant funding or equity investment financing to a qualifying
21 university, qualifying university–based entrepreneur, or other start–up entity, to promote
22 the commercialization of technology developed in whole or in part by a qualifying
23 university;

24 (2) pursue grants, other funds, and in–kind contributions for the Initiative
25 or its qualifying universities;

26 (3) develop and implement guidelines for technology transfer; and

27 (4) identify projects at qualifying universities that may be viable for
28 commercialization.

29 (b) The grant funding or equity investment financing in subsection (a) of this

1 section shall be awarded:

2 (1) to support pre-commercial research on intellectual property to increase
3 the likelihood of commercializing the intellectual property;

4 (2) to defray costs of evaluating the feasibility of a technology becoming
5 commercialized through a start-up company;

6 (3) to defray the direct costs of developing early stage technology through
7 a start-up entity;

8 (4) to assess intellectual property issues, including licensing and patents;
9 or

10 (5) for any other costs that the Initiative's participating members
11 determine are appropriate to promote technology transfer and commercialization in the
12 State.

13 10-459.

14 (a) Only qualifying universities[, as provided under § 10-455 of this part,] may
15 submit proposals for grant funding from the Initiative.

16 (b) The participating members of the Initiative may establish a committee
17 composed of experts in the areas of research considered for commercialization.

18 (c) The Initiative may establish the committee under service contracts with
19 independent reviewers.

20 (d) The committee shall:

21 (1) review, evaluate, and rate proposals for funding from the Initiative,
22 based on:

23 (i) the viability of commercializing the technology; and

24 (ii) the relative costs associated with commercializing the
25 technology; and

26 (2) make recommendations to the participating members of the Initiative
27 for the award and disbursement of grants from the Initiative.

28 (e) A member of the committee is not eligible to receive funding from the
29 Initiative.

30 10-460.

1 The Corporation shall include, as part of its annual report to the Governor and the
2 General Assembly under § 10–415 of this subtitle, a detailed description of:

3 (1) the number of technology transfer transactions or projects for which the
4 Initiative provided funding;

5 (2) the amount and source of funds the Initiative identified to assist in the
6 development of technologies;

7 (3) the qualifying universities or entities for which funding was awarded;

8 (4) the commercial value of technology that was transferred to the
9 commercial industry; and

10 (5) any recommendations for improving the overall effectiveness of
11 technology transfer through the Initiative.

12 Part VI. Cybersecurity Investment Fund.

13 10–463.

14 (a) In this part the following words have the meanings indicated.

15 (b) “Commercialization” means the process of introducing a new product or
16 technology into the market.

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

18 (d)] (1) “Cybersecurity” means information technology security.

19 (2) “Cybersecurity” includes the protection of networked devices, networks,
20 programs, and data from unintended or unauthorized access, change, or destruction.

21 [(e)] (D) “Fund” means the Cybersecurity Investment Fund established under §
22 10–464 of this [part] SUBTITLE.

23 10–464.

24 (a) There is a Cybersecurity Investment Fund.

25 (b) The purpose of the Fund is to:

26 (1) provide seed and early-stage funding for emerging technology
27 companies located in the State focused on cybersecurity and cybersecurity technology
28 product development;

29 (2) maximize Corporation investments by supporting funded emerging

1 technology companies to enable corporate growth and to obtain third-party downstream
2 funding for commercialization; and

3 (3) leverage Corporation investments in early-stage cybersecurity
4 companies by taking advantage of economic development opportunities throughout the
5 State.

6 (c) The Corporation shall administer the Fund.

7 (d) The Fund consists of:

8 (1) appropriations as provided in the State budget;

9 (2) money made available to the Fund through federal programs or private
10 contributions;

11 (3) repayment of capital or principal or payment of interest on any debt or
12 equity investments from the Fund;

13 (4) investment earnings of the Fund; and

14 (5) any other money accepted by the Corporation for the Fund.

15 (e) The Corporation may use the Fund to:

16 (1) carry out the purposes of the Fund related to the commercialization of
17 cybersecurity research and cybersecurity technology product development in accordance
18 with the terms of this part; and

19 (2) pay the costs necessary to implement this part and to administer the
20 Fund.

21 (f) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of
22 the State Finance and Procurement Article.

23 (2) The State Treasurer shall hold the Fund separately, and the
24 Comptroller shall account for the Fund.

25 (3) The State Treasurer shall invest the money in the Fund in the same
26 manner as other State money may be invested.

27 (4) Any investment earnings of the Fund shall be credited to the Fund.

28 10-465.

29 The Corporation shall include, as part of its annual report to the Governor and the
30 General Assembly under § 10-415 of this subtitle, a detailed description of:

1 (1) the number of Fund proposals received by the Corporation during the
2 preceding fiscal year;

3 (2) the number of Fund transactions or projects for which the Corporation
4 provided funding during the preceding fiscal year;

5 (3) the amount of money awarded by the Fund in the preceding fiscal year;
6 and

7 (4) the total amount of third-party downstream funding of completed
8 investments since Fund inception.

9 Part VII. Enterprise Fund [and Invest Maryland Program].

10 10-468.

11 [(a)] In this [part the following words have the meanings indicated.

12 (b) "Corporation" means the Maryland Technology Development Corporation.

13 (c) **PART**, "Fund" means the Enterprise Fund established under § 10-469 of this
14 subtitle.

15 10-469.

16 (a) There is an Enterprise Fund in the Corporation.

17 (b) The Corporation may use the Fund to:

18 (1) make a grant or loan, at the rate of interest set by the Corporation;

19 (2) provide equity investment financing for a qualified business;

20 (3) guarantee a loan, equity, investment, or other private financing to
21 expand the capital resources of a qualified business;

22 (4) purchase advisory services and technical assistance to better support
23 economic development;

24 (5) pay the Corporation's obligations to a venture firm under the Invest
25 Maryland Program, as provided under § [10-492(c)(2)(i)] **10-4A-20(C)(2)(I)** of this
26 [subtitle] **TITLE**; and

27 (6) pay the administrative, legal, and actuarial expenses of the
28 Corporation.

1 (c) The Corporation shall manage and supervise the Fund.

2 (d) (1) The Fund is a special, nonlapsing revolving fund that is not subject to
3 reversion under § 7-302 of the State Finance and Procurement Article.

4 (2) The Treasurer shall hold the Fund and the Comptroller shall account
5 for it.

6 (e) The Fund consists of:

7 (1) money appropriated by the State to the Fund;

8 (2) money made available to the Fund through federal programs or private
9 contributions;

10 (3) repayment of principal of a loan made from the Fund;

11 (4) payment of interest on a loan made from the Fund;

12 (5) proceeds from the sale, disposition, lease, or rental by the Corporation
13 of collateral related to financing that the Corporation provides under this subtitle **OR**
14 **SUBTITLE 4A OF THIS TITLE;**

15 (6) premiums, fees, royalties, interest, repayments of principal, and
16 returns on investments paid to the Corporation by or on behalf of:

17 (i) a qualified business in which the Corporation has made an
18 investment under this subtitle **OR SUBTITLE 4A OF THIS TITLE;** or

19 (ii) an investor providing an investment guaranteed by the
20 Corporation under this subtitle **OR SUBTITLE 4A OF THIS TITLE;**

21 (7) recovery of an investment made by the Corporation in a qualified
22 business under this subtitle **OR SUBTITLE 4A OF THIS TITLE,** including an arrangement
23 under which the Corporation's investment in the qualified business is recovered through:

24 (i) a requirement that the Corporation receive a proportion of cash
25 flow, commission, royalty, or payment on a patent; or

26 (ii) the repurchase from the Corporation of any evidence of financial
27 participation, including a note, stock, bond, or debenture;

28 (8) repayment of a conditional grant extended by the Corporation;

29 (9) money deposited into the Fund under § [10-492(c)(2)(i)]
30 **10-4A-20(C)(2)(I)** of this [subtitle] **TITLE;** and

1 (10) any other money made available to the Corporation for the Fund.

2 (f) (1) The Treasurer shall invest money in the Fund in the same manner as
3 other State money.

4 (2) Any investment earnings of the Fund shall be credited to the Fund.

5 10-470.

6 (a) The Corporation may require that all or part of a grant be repaid, with interest
7 at a rate the Corporation sets, when conditions specified by the Corporation occur.

8 (b) (1) Whenever the Corporation is authorized by law to make a grant,
9 including a grant from the Economic Development Opportunities Program Account
10 authorized under § 7-314 of the State Finance and Procurement Article, the Corporation
11 may use money appropriated for the grant to make an equity investment in a qualified
12 business.

13 (2) (i) Except as provided in subparagraph (ii) of this paragraph **AND**
14 **SUBTITLE 4A OF THIS TITLE**, in making an equity investment under this subtitle **OR**
15 **SUBTITLE 4A OF THIS TITLE**, the Corporation may not acquire an ownership interest in
16 an enterprise that exceeds 25%.

17 (ii) In making an equity investment under this subtitle **OR**
18 **SUBTITLE 4A OF THIS TITLE** in one or more venture or private equity firms, the
19 Corporation may acquire an ownership interest exceeding 25%.

20 (3) Within 15 years after making an equity investment under this subtitle
21 **OR SUBTITLE 4A OF THIS TITLE**, the Corporation shall divest itself of that investment.

22 (4) The liability of the State and the Corporation in making an equity
23 investment under this subtitle **OR SUBTITLE 4A OF THIS TITLE** is limited to the amount
24 of that investment.

25 **SUBTITLE 4A. INVEST MARYLAND PROGRAM.**

26 [Part VIII. Maryland Venture Fund Authority.]

27 **PART I. GENERAL PROVISIONS.**

28 [10-473.] **10-4A-01.**

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

30 (b) (1) "Affiliate" means:

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

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

7 (2) "Affiliate" does not include an insurance company that becomes a
8 purchaser in accordance with an allocation of investment tax credits under the Program
9 solely by reason of the allocation.

10 (c) "Allocation amount" means the total amount of tax credits allocated to a
11 purchaser.

12 (d) "Allocation date" means the date on which tax credits are allocated to a
13 purchaser under § [10-483] **10-4A-11** of this subtitle.

14 (e) "Authority" means the Maryland Venture Fund Authority established under
15 § [10-474] **10-4A-02** of this subtitle.

16 (f) "Corporation" means the Maryland Technology Development Corporation.

17 (g) "Designated capital" means the amount of money that a purchaser invests
18 under the Program.

19 (h) "Enterprise Fund" means the Enterprise Fund under [this part] § **10-469 OF**
20 **THIS TITLE**.

21 (i) "Financing Authority" means the Maryland Small Business Development
22 Financing Authority under Title 5, Subtitle 5 of this article.

23 (j) "Insurance premium tax liability" means:

24 (1) any liability incurred by an insurance company under Title 6, Subtitle
25 1 of the Insurance Article as of October 1, 2011; or

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

30 (k) "Premium tax credit" means a credit against insurance premium tax liability
31 offered to a purchaser under the Program.

32 (l) **"PRINCIPAL BUSINESS OPERATIONS" HAS THE MEANING STATED IN §**

1 **10-401 OF THIS TITLE.**

2 **(M)** “Program” means the Invest Maryland Program under this subtitle.

3 ~~[(m)]~~ **(N)** “Purchaser” means:

4 (1) an insurance company that:

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

6 (ii) has insurance premium tax liability; and

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

9 (2) a holding company that:

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

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

14 ~~[(n)]~~ **(O)** “Qualified business” means a business that, at the time of the first
15 investment in the business under the Program:

16 (1) has its principal business operations located in the State and intends to
17 maintain its principal business operations in the State after receiving an investment under
18 the Program;

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

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

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

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

24 (4) is not primarily engaged in:

25 (i) retail sales;

26 (ii) real estate development;

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

1 (iv) the provision of professional services by accountants, attorneys,
2 or physicians.

3 [(o)] (P) (1) “Qualified distribution” means a distribution or payment by a
4 venture firm of the State’s proportionate allocation of costs in connection with:

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

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

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

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

15 [(p)] (Q) (1) “Qualified investment” means the direct or indirect investment
16 of cash by the Enterprise Fund or the Financing Authority in a qualified business for the
17 purchase of any of the following:

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

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

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

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

23 [(q)] (R) “Side car affiliate” means an entity controlled by or under common
24 control with a venture firm that is formed solely for the purpose of investing alongside the
25 venture firm.

26 [(r)] (S) “Venture firm” means a partnership, corporation, trust, or limited
27 liability company, whether organized on a profit or a nonprofit basis, that is certified by the
28 Corporation as meeting the criteria established under § [10-484] **10-4A-12** of this
29 subtitle.

30 [10-474.] **10-4A-02.**

31 There is a Maryland Venture Fund Authority in the Corporation.

1 [10-475.] 10-4A-03.

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

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

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

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

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

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

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

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

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

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

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

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

21 (1) may not be elected officials; and

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

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

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

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

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

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

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

5 (f) In addition to the requirements of Title 5 of the General Provisions Article, a
6 member of the Authority may not be employed by or have any financial interest in a
7 purchaser, qualified business, or venture firm or hold any other employment relationship
8 or financial interest that would impair the impartiality and independent judgment of the
9 member.

10 (g) The Authority may not have additional advisors or advisory boards, whether
11 acting informally or formally constituted, other than as appointed or designated in this
12 subtitle.

13 **[10-476.] 10-4A-04.**

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 **[10-477.] 10-4A-05.**

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 **[10-478.] 10-4A-06.**

28 The Authority shall:

29 (1) provide advice to and consult with the Corporation in connection with
30 the administration of the Program under this subtitle; and

1 with § [10-482] **10-4A-10** of this subtitle.

2 **[10-482.] 10-4A-10.**

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

6 (b) Using the procedures adopted by the independent third party, each potential
7 purchaser shall make a timely and irrevocable offer, subject only to the Corporation's
8 issuance to the purchaser of tax credit certificates, to make specified contributions of
9 designated capital to the Corporation on the dates specified in § [10-483(a)]
10 **10-4A-11(A)** of this subtitle.

11 (c) The offer shall include:

12 (1) the requested amount of tax credits, which may not be less than
13 \$1,000,000;

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

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

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

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

21 (d) (1) The deadline for submission of applications for tax credits is February
22 1, 2012.

23 (2) Each potential purchaser shall receive a written notice from the
24 Corporation not later than May 1, 2012, indicating whether or not it has been approved as
25 a purchaser and, if so, the amount of tax credits allocated.

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

28 **[10-483.] 10-4A-11.**

29 (a) Designated capital committed by a purchaser shall be paid to the Enterprise
30 Fund in three equal yearly installments due on June 1 of 2012, 2013, and 2014.

31 (b) On receipt of each installment of designated capital, the Corporation shall
32 issue to each purchaser a tax credit certificate representing a fully vested credit against

1 insurance premium tax liability equal to one-third of the total premium tax credits
2 allocated to the purchaser.

3 (c) The Corporation shall issue tax credit certificates to purchasers in accordance
4 with the bidding process selected by the independent third party on behalf of the Authority
5 under § [10-482] **10-4A-10** of this subtitle.

6 (d) The tax credit certificate shall state:

7 (1) the total amount of premium tax credits that the purchaser may claim;

8 (2) the amount of designated capital that the purchaser has contributed in
9 return for the issuance of the tax credit certificate;

10 (3) the dates on which the tax credits will be available for use by the
11 purchaser;

12 (4) any penalties or other remedies for noncompliance;

13 (5) the procedures to be used for transferring the tax credits; and

14 (6) any other requirements the Corporation considers necessary.

15 (e) (1) A tax credit certificate may not be issued to any purchaser that fails to
16 make a contribution of designated capital within the time the Corporation specifies.

17 (2) A purchaser that fails to make a contribution of designated capital
18 within the time the Corporation specifies shall be subject to a penalty equal to 10% of the
19 amount of designated capital that remains unpaid, payable to the Corporation within 30
20 days after demand by the Corporation.

21 (3) The Corporation may offer to reallocate the defaulted designated
22 capital among the other purchasers, so that the result after reallocation is the same as if
23 the initial allocation had been performed without considering the premium tax credit
24 allocation to the defaulting purchaser.

25 (4) If the reallocation of designated capital results in the contribution by
26 another purchaser or purchasers of the amount of designated capital not contributed by the
27 defaulting purchaser, then the Corporation may waive the penalty provided under this
28 subsection.

29 (5) (i) A purchaser that fails to make a contribution of designated
30 capital within the time specified may avoid the imposition of the penalty by transferring
31 the allocation of tax credits to a new or existing purchaser within 30 days after the due date
32 of the defaulted installment.

33 (ii) Any transferee of an allocation of tax credits of a defaulting

1 purchaser under this section shall agree to make the required contribution of designated
2 capital within 30 days after the date of the transfer.

3 (6) (i) The Corporation in its sole discretion may purchase insurance or
4 make other financial arrangements in order to ensure the availability of the full amount of
5 designated capital committed by purchasers.

6 (ii) The Corporation shall disclose any purchase of insurance or
7 other similar financial arrangement under this paragraph in the annual report required
8 under § [10-499] ~~10-4A-28~~ of this subtitle.

9 [10-484.] ~~10-4A-12.~~

10 (a) (1) Subject to the restriction in paragraph (2) of this subsection, a
11 purchaser may claim the premium tax credit on a premium tax return filed after December
12 31, 2014, for a taxable year that begins on or after January 1, 2014.

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

15 (b) (1) The credit to be applied against insurance premium tax liability in any
16 1 year may not exceed the insurance premium tax liability of the purchaser for that taxable
17 year.

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

19 (i) carried forward indefinitely until the premium tax credits are
20 used; and

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

23 (3) On 30 days' advance notice to the Corporation, premium tax credits
24 allocated to a purchaser under this subtitle may be transferred without further restriction
25 to any other entity that:

26 (i) meets the definition of a purchaser;

27 (ii) is in good standing with the Maryland Insurance Administration;
28 and

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

31 (c) A purchaser claiming a credit against insurance premium tax liability earned
32 through an investment under the Program is not required to pay any additional tax as a
33 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 **10-4A-13. RESERVED.**

6 **10-4A-14. RESERVED.**

7 Part [X.] III. Venture Firms and Investments.

8 [10-487.] **10-4A-15.**

9 (a) Subject to the approval of the Corporation, the Authority shall obtain the
10 services of an independent third party to:

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

13 (2) review and evaluate applications for venture firm certification under
14 this section.

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

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

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

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

22 (c) (1) On receiving the recommendations of the independent third party
23 selected under subsection (a) of this section and subject to § [10-488] **10-4A-16** of this
24 subtitle, the Authority shall select venture firms to receive allocations of designated capital
25 that are consistent with the investment criteria set forth in this subtitle.

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

29 (3) Subject to the approval of the Corporation, the Authority may enter into
30 written agreements, including partnership agreements and side agreements, that are
31 necessary to carry out the purposes of this part.

1 [10-488.] **10-4A-16.**

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

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

5 (i) the investment experience of the principals;

6 (ii) the applicant's reputation in the venture firm industry and the
7 applicant's ability to attract co-investment capital and syndicate investments in qualified
8 businesses in the State;

9 (iii) the knowledge, experience, and capabilities of the applicant in
10 subject areas relevant to venture-stage businesses in the State;

11 (iv) the tenure and turnover history of principals and senior
12 investment professionals of the applicant; and

13 (v) whether the State's investment in the applicant under this
14 program would exceed 15% of the total invested in the applicant by all investors, including
15 investments in any side car fund affiliates;

16 (2) the applicant's investment strategy, including:

17 (i) the applicant's track record of investing in venture-stage
18 businesses;

19 (ii) the applicant's history of attracting co-investment capital and
20 syndicate investments;

21 (iii) the soundness of the applicant's investment strategy and the
22 compatibility of that strategy with business opportunities in the State; and

23 (iv) the applicant's history of job creation through investment;

24 (3) the applicant's commitment to making investments, that, to the fullest
25 extent possible:

26 (i) create employment opportunities in the State;

27 (ii) lead to the growth of the State economy and qualified businesses
28 in the State;

29 (iii) complement the research and development projects of State
30 academic institutions; and

1 (iv) foster the development of technologies and industries that
2 present opportunities for the growth of qualified businesses in the State; and

3 (4) the applicant's commitment to the State, including:

4 (i) the applicant's presence in the State through permanent local
5 offices or affiliation with local investment firms;

6 (ii) the local presence of senior investment professionals;

7 (iii) the applicant's history of investing in venture-stage businesses
8 in the State;

9 (iv) the applicant's ability to identify investment opportunities
10 through working relationships with State research and development institutions and
11 State-based businesses;

12 (v) the applicant's relationship with other venture firms in the
13 region;

14 (vi) the applicant's history of investing in areas relevant to
15 venture-stage businesses in the State; and

16 (vii) the applicant's commitment to investing a similar or greater
17 amount of designated capital received under this subtitle in State-based ventures and
18 qualified businesses.

19 (b) To ensure the Corporation has continued access to the best available and
20 qualified venture firms as well as to provide for the replacement of venture firms that have
21 been disqualified under § [10-494] **10-4A-22** of this subtitle:

22 (1) an applicant shall file an application with the Corporation in the form
23 required by the Corporation;

24 (2) the application shall include the applicant's most recent financial
25 statements;

26 (3) the Corporation shall accept applications for certification for a period of
27 3 months at the Corporation's choosing, at the same time each year; and

28 (4) notwithstanding the requirements of § [10-494(b)] **10-4A-22(B)** of
29 this subtitle, when one or more venture firms have been disqualified under § [10-494]
30 **10-4A-22** of this subtitle, the Corporation may receive applications, for a period of not less
31 than 2 months, at any time during the calendar year.

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

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

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

7 (3) for a period of 2 years from the date of disqualification, the applicant
8 may not be:

9 (i) a venture firm that has been disqualified under § [10-494]
10 **10-4A-22** of this subtitle; or

11 (ii) a firm with majority ownership composed of members who had
12 ownership or leadership roles in a firm that has been disqualified under § [10-494]
13 **10-4A-22** of this subtitle.

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

15 (1) issue the certification; or

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

18 [10-489.] **10-4A-17.**

19 (a) (1) A business that is classified as a qualified business at the time of the
20 first investment in the business by a venture firm, the Enterprise Fund, or the Financing
21 Authority remains classified as a qualified business and may receive follow-on investments
22 from a venture firm, the Enterprise Fund, or the Financing Authority as provided under
23 this subsection.

24 (2) A follow-on investment from a venture firm is a qualified investment
25 even though the business does not meet the definition of a qualified business at the time of
26 the follow-on investment.

27 (3) With respect to an investment by the Enterprise Fund or the Financing
28 Authority, a follow-on investment does not qualify as a qualified investment if, at the time
29 of the follow-on investment, the business no longer meets the definition of a qualified
30 business.

31 (b) Each venture firm shall inform the Corporation in writing when the venture
32 firm requires designated capital for investment or for the payment of approved fees and
33 expenses.

1 [10-490.] **10-4A-18.**

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

3 (1) manage a venture firm;

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

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

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

10 [10-491.] **10-4A-19.**

11 (a) Not later than March 31 of each year, each venture firm and the Financing
12 Authority shall report to the Corporation:

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

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

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

21 (4) any other information the Corporation requires to ascertain the impact
22 of the Program on the economy of the State.

23 (b) Not later than 180 days after the end of its fiscal year, each venture firm shall
24 provide to the Corporation an audited financial statement that includes the opinion of an
25 independent certified public accountant.

26 (c) Not later than 60 days after the sale or other disposition of a qualified
27 investment, the selling venture firm or the Financing Authority shall provide to the
28 Corporation a report on the amount of the interest sold or disposed of and the consideration
29 received for the sale or disposition.

30 [10-492.] **10-4A-20.**

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

1 (b) To make a distribution that is not a qualified distribution, a venture firm shall
2 pay to the Comptroller the venture firm's pro rata share of distributions made to all limited
3 partners as provided under the applicable partnership documents and any agreement with
4 the Corporation.

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

8 (2) (i) If the Corporation has an obligation under applicable venture
9 firm investment documents to return to the venture firm a payment previously distributed
10 to the Comptroller, the Comptroller shall deposit an amount equal to that payment into the
11 Enterprise Fund to cover the obligation.

12 (ii) If the Corporation determines that the money deposited under
13 subparagraph (i) of this paragraph is no longer required to be returned to a venture firm
14 under the applicable investment documents, the Corporation shall notify the Comptroller
15 that the money may be distributed to the General Fund.

16 **[10-493.] 10-4A-21.**

17 Investment returns resulting from the qualified investments made under the
18 Program by the Enterprise Fund or the Financing Authority shall be used to make
19 additional qualified investments in qualified businesses by the Enterprise Fund or the
20 Financing Authority.

21 **[10-494.] 10-4A-22.**

22 (a) Each venture firm shall be required to make equity investments in an amount
23 not less than 50% of the capital allocated to qualified businesses within 3 years of each
24 capital allocation.

25 (b) In regards to venture firms that have received an allocation before June 1,
26 2019, the requirements of subsection (a) of this section shall apply as of June 1, 2019.

27 (c) In the event that a venture firm fails to meet the requirements of subsection
28 (a) of this section, the Corporation shall:

29 (1) rescind the allocation and authorization for that firm from the date of
30 noncompliance with subsection (a) of this section and remove that firm's certification for
31 participation in the program;

32 (2) cease making the payment of management and other fees to the venture
33 fund from the date of noncompliance with subsection (a) of this section; and

34 (3) consult and coordinate with the Office of the Attorney General for the
35 recovery of any funds, as may be necessary.

1 **10-4A-23. RESERVED.**

2 **10-4A-24. RESERVED.**

3 Part [XI.] IV. Miscellaneous.

4 **[10-496.] 10-4A-25.**

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

8 (b) The Corporation shall submit the following to the Maryland Insurance
9 Administration:

10 (1) the names, addresses, and amount of designated capital to be
11 contributed and premium tax credits earned by each successful bidder within 30 days after
12 the close of the bidding process under § [10-482] **10-4A-10** of this subtitle;

13 (2) a copy of the tax credit certificate issued to each purchaser within 30
14 days after the issuance of the certificate under § [10-483] **10-4A-11** of this subtitle;

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

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

17 **[10-497.] 10-4A-26.**

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

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

30 **[10-498.] 10-4A-27.**

1 The Corporation shall administer this [part] SUBTITLE and may adopt regulations
2 to carry out this [part] SUBTITLE.

3 **[10-499.] 10-4A-28.**

4 (a) (1) The Corporation shall submit a report on the implementation of the
5 Program.

6 (2) The report required under this section shall be submitted to the Senate
7 Budget and Taxation Committee and the House Ways and Means Committee.

8 (3) The Corporation shall publish the report on the Corporation's website
9 in a publicly available format.

10 (4) The report published on the website may not include any proprietary or
11 confidential information.

12 (b) The report shall include:

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

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

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

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

19 (iv) the amount of any tax credits that have been transferred under
20 § [10-484] **10-4A-12** of this subtitle;

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

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

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

26 (iii) the amount of designated capital received during the previous
27 fiscal year;

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

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

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

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

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

8 (3) with respect to the Enterprise Fund:

9 (i) the amount of designated capital received during the previous
10 fiscal year;

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

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

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

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

18 (4) with respect to the Financing Authority:

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

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

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

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

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

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

30 (i) the classification of the qualified businesses according to the

1 industrial sector and the size of the business;

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

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

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Technology
7 Development Corporation (TEDCO) shall review the entirety of the provisions in the
8 Annotated Code of Maryland that pertain to TEDCO and, on or before December 1, 2020,
9 report to the General Assembly, in accordance with § 2-1257 of the State Government
10 Article, on changes to the Code that TEDCO would recommend.

11 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intention of the
12 General Assembly that Section 1 of this Act shall be construed as a nonsubstantive revision
13 and may not otherwise be construed to render any substantive change in the law of the
14 State.

15 SECTION 4. AND BE IT FURTHER ENACTED, That the publisher of the
16 Annotated Code of Maryland, in consultation with and subject to the approval of the
17 Department of Legislative Services, shall correct, with no further action required by the
18 General Assembly, cross-references and terminology rendered incorrect by this Act or by
19 any other Act of the General Assembly of 2020 that affects provisions enacted by this Act.
20 The publisher shall adequately describe any correction that is made in an editor's note
21 following the section affected.

22 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.