

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 747

(The President)(By Request - Department of Legislative Services)

Finance

Ways and Means

Economic Development - Maryland Technology Development Corporation -
Revision

This bill revises, restates, and recodifies the laws of the State related to the Maryland Technology Development Corporation (TEDCO). The bill clarifies language and makes technical and stylistic changes. The bill also requires TEDCO, by December 1, 2020, to review the entirety of TEDCO-related provisions in the Annotated Code and report recommended changes to the General Assembly.

Fiscal Summary

State Effect: The bill's revisions, restatements, and recodifications are intended as nonsubstantive; there is no fiscal impact from those changes. TEDCO can report on recommended statutory changes with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: In addition to other changes related to TEDCO's investments, Chapters 487 and 488 of 2019 required the Department of Legislative Services (DLS) to review TEDCO's statute and make recommendations for clarity and consistency by December 1, 2019. The Acts were a response, in part, to a February 2019 fiscal compliance audit of TEDCO conducted by the Office of Legislative Audits.

The bill reflects the DLS review of TEDCO's statute and related recommendations for clarity and consistency.

TEDCO – Generally

TEDCO is an independent entity established by the Maryland General Assembly in 1998 to facilitate the creation of technology companies and encourage collaboration between these emerging businesses and federal and State research laboratories. TEDCO also aims to promote new research activity and investments that lead to business development in Maryland.

To achieve its goals, TEDCO provides nonequity investments to early-stage technology businesses, and it funds development and patenting of new technologies at research universities. TEDCO also develops linkages with federal research facilities in the State and helps companies pursue research funds from federal and other sources. The corporation's role was expanded in fiscal 2016 with the enactment of Chapter 141 of 2015 to transfer the operation of the Maryland Venture Fund (MVF) and the biotechnology grant program from the Department of Commerce.

Except for MVF, which is a special fund, State support for TEDCO's programs is typically in the form of general funds. The Governor's proposed fiscal 2021 budget includes \$25.9 million for TEDCO (\$20.5 million in general funds).

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Technology Development Corporation; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2020
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