

# HOUSE BILL 75

C8

3lr0836

(PRE-FILED)

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By: **Delegate J. Lewis**

Requested: November 16, 2022

Introduced and read first time: January 11, 2023

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Technology Development Corporation – Digital Bay Business**  
3 **Diversity Program – Establishment**

4 FOR the purpose of establishing the Digital Bay Business Diversity Program in the  
5 Maryland Technology Development Corporation to provide grants to certain  
6 nonprofit organizations to establish certain business incubators; and generally  
7 relating to the establishment of the Digital Bay Business Diversity Program.

8 BY repealing and reenacting, without amendments,  
9 Article – Economic Development  
10 Section 9–101(a) and (c) and 10–401(a) and (c)  
11 Annotated Code of Maryland  
12 (2018 Replacement Volume and 2022 Supplement)

13 BY adding to  
14 Article – Economic Development  
15 Section 10–490 to be under the new part “Part XI. Digital Bay Business Diversity  
16 Program”  
17 Annotated Code of Maryland  
18 (2018 Replacement Volume and 2022 Supplement)

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

21 **Article – Economic Development**

22 9–101.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) "Department" means the Department of Commerce.

2 10-401.

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

4 (c) "Corporation" means the Maryland Technology Development Corporation.

5 **10-488. RESERVED.**

6 **10-489. RESERVED.**

7 **PART XI. DIGITAL BAY BUSINESS DIVERSITY PROGRAM.**

8 **10-490.**

9 **(A) IN THIS SECTION, "PROGRAM" MEANS THE DIGITAL BAY BUSINESS**  
10 **DIVERSITY PROGRAM.**

11 **(B) (1) THERE IS A DIGITAL BAY BUSINESS DIVERSITY PROGRAM IN THE**  
12 **CORPORATION.**

13 **(2) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO**  
14 **NONPROFIT ORGANIZATIONS TO ESTABLISH DIVERSE AND EFFECTIVE BUSINESS**  
15 **INCUBATORS IN THE STATE.**

16 **(C) (1) THE CORPORATION, IN CONSULTATION WITH THE DEPARTMENT,**  
17 **SHALL ADMINISTER THE PROGRAM.**

18 **(2) THE CORPORATION SHALL HIRE AT LEAST ONE FULL-TIME**  
19 **COORDINATOR TO ADMINISTER THE PROGRAM.**

20 **(D) FOR EACH OF FISCAL YEARS 2026 THROUGH 2030, THE GOVERNOR**  
21 **SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$2,000,000**  
22 **FOR THE PROGRAM.**

23 **(E) (1) FOR EACH FISCAL YEAR, THE CORPORATION SHALL USE THE**  
24 **ENTIRE APPROPRIATION UNDER SUBSECTION (D) OF THIS SECTION TO AWARD**  
25 **GRANTS IN ACCORDANCE WITH THIS SECTION.**

26 **(2) AN ORGANIZATION MAY APPLY FOR A GRANT UNDER THIS**  
27 **SECTION IF THE ORGANIZATION IS A NONPROFIT ORGANIZATION IN THE STATE THAT**  
28 **IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.**

1           **(3) THE CORPORATION MAY AWARD A GRANT UNDER THIS SECTION**  
2 **FOR:**

3                   **(I) SMALL BUSINESS DEVELOPMENT;**

4                   **(II) MARKETING;**

5                   **(III) BUSINESS EDUCATION CURRICULA;**

6                   **(IV) FINANCE TRAINING; AND**

7                   **(V) BUSINESS MATERIALS.**

8           **(4) FOR ANY FISCAL YEAR, AN ORGANIZATION MAY NOT RECEIVE**  
9 **FROM THE CORPORATION A GRANT THAT EXCEEDS \$250,000.**

10           **(F) (1) THE CORPORATION, IN CONSULTATION WITH THE DEPARTMENT,**  
11 **SHALL ESTABLISH A COMPETITIVE APPLICATION PROCESS FOR GRANTS MADE**  
12 **UNDER THIS SECTION.**

13                   **(2) THE CORPORATION SHALL AWARD AT LEAST HALF OF THE MONEY**  
14 **APPROPRIATED TO THE PROGRAM TO ORGANIZATIONS THAT ARE SUBJECT TO §**  
15 **14-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

16           **(G) (1) THE CORPORATION AND A GRANT RECIPIENT SHALL EXECUTE A**  
17 **PROGRAM AGREEMENT.**

18                   **(2) THE GRANT RECIPIENT SHALL COMPLY WITH THE TERMS OF THE**  
19 **PROGRAM AGREEMENT.**

20                   **(3) THE PROGRAM AGREEMENT MAY NOT ALLOW FOR MORE THAN**  
21 **15% OF THE AMOUNT OF THE GRANT TO BE USED FOR OPERATING EXPENSES.**

22                   **(4) THE CORPORATION MAY EXERCISE ANY REMEDY AUTHORIZED BY**  
23 **LAW IF THE GRANT RECIPIENT:**

24                           **(I) VIOLATES ANY PROVISION OF THE PROGRAM AGREEMENT;**  
25 **OR**

26                           **(II) DOES NOT MEET ANY REQUIREMENT UNDER THIS SECTION.**

27           **(H) (1) ON OR BEFORE SEPTEMBER 1, 2024, AND EACH SEPTEMBER 1**  
28 **THEREAFTER THROUGH 2029, AN ORGANIZATION THAT RECEIVES A GRANT UNDER**

1 THIS SECTION SHALL REPORT TO THE CORPORATION DOCUMENTING HOW THE  
2 ORGANIZATION USED THE GRANT MONEY RECEIVED IN THE IMMEDIATELY  
3 PRECEDING CALENDAR YEAR.

4 (2) ON OR BEFORE DECEMBER 31, 2023, AND EVERY 2 YEARS  
5 THEREAFTER THROUGH 2029, THE CORPORATION SHALL REPORT TO THE GENERAL  
6 ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE,  
7 ON:

8 (I) THE NUMBER OF GRANTS AWARDED UNDER THIS SECTION;

9 (II) THE AMOUNT OF EACH GRANT AWARDED UNDER THIS  
10 SECTION;

11 (III) THE NAME AND LOCATION OF EACH ORGANIZATION  
12 AWARDED A GRANT UNDER THIS SECTION; AND

13 (IV) ANY OTHER INFORMATION THE CORPORATION  
14 DETERMINES IS NECESSARY.

15 (I) THE CORPORATION, IN CONSULTATION WITH THE DEPARTMENT,  
16 SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

17 (J) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT AN  
18 ORGANIZATION FROM RECEIVING FUNDS FROM A GOVERNMENT SOURCE OTHER  
19 THAN THE PROGRAM.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2023. It shall remain effective for a period of 6 years and 6 months and, at the end of  
22 December 31, 2029, this Act, with no further action required by the General Assembly, shall  
23 be abrogated and of no further force and effect.