

# SENATE BILL 125

C8

(PRE-FILED)

3lr0661  
CF 3lr1599

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By: **Senator Hayes**

Requested: November 1, 2022

Introduced and read first time: January 11, 2023

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Business Diversity Incubator Program**

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

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

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

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

### Article – Economic Development

20 9–101.

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

23 (c) “Department” means the Department of Commerce.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10-401.

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

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

4 **10-488. RESERVED.**

5 **10-489. RESERVED.**

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

7 **10-490.**

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

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

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

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

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

19 (D) FOR EACH OF FISCAL YEARS 2026 THROUGH 2031, THE GOVERNOR  
20 SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$2,000,000  
21 FOR THE PROGRAM.

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

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

28 (3) THE CORPORATION MAY AWARD A GRANT UNDER THIS SECTION

1 **FOR:**

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

3 (II) **MARKETING;**

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

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

6 (V) **BUSINESS MATERIALS.**

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

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

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

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

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

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

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

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

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

26 (H) (1) **ON OR BEFORE SEPTEMBER 1, 2024, AND EACH SEPTEMBER 1**  
27 **THEREAFTER, AN ORGANIZATION THAT RECEIVES A GRANT UNDER THIS SECTION**  
28 **SHALL REPORT TO THE CORPORATION DOCUMENTING HOW THE ORGANIZATION**

1 USED THE GRANT MONEY RECEIVED IN THE IMMEDIATELY PRECEDING YEAR.

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

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

6 (II) THE AMOUNT OF EACH GRANT AWARDED UNDER THIS  
7 SECTION;

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

10 (IV) ANY OTHER INFORMATION THE CORPORATION  
11 DETERMINES IS NECESSARY.

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

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
18 1, 2023. It shall remain effective for a period of 6 years and 6 months and, at the end of  
19 December 31, 2029, this Act, with no further action required by the General Assembly, shall  
20 be abrogated and of no further force and effect.