

SENATE BILL 549

C8

3lr0126
CF HB 552

By: **The President (By Request – Administration) and Senators Ferguson, Augustine, Beidle, Benson, Carozza, Carter, Elfreth, Ellis, Feldman, Gile, Hester, Hettleman, Jackson, James, King, Klausmeier, Muse, Sydnor, Waldstreicher, Watson, ~~and West~~ West, Bailey, Corderman, Guzzone, Jennings, McCray, Rosapepe, Salling, and Zucker**

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2023

CHAPTER _____

AN ACT concerning

Economic Development – Build Our Future Grant Pilot Program and Fund (Innovation Economy Infrastructure Act of 2023)

FOR the purpose of establishing the Build Our Future Grant Pilot Program in the Department of Commerce to provide funding for certain costs for infrastructure projects in eligible technology sectors; requiring certain grantees to provide matching funds and to demonstrate certain abilities; establishing the Build Our Future Grant Fund as a special, nonlapsing fund; and generally relating to the Build Our Future Grant Pilot Program and Fund.

BY repealing and reenacting, with amendments,
Article – Economic Development
Section 5–102
Annotated Code of Maryland
(2018 Replacement Volume and 2022 Supplement)

BY adding to
Article – Economic Development
Section 5–2301 through 5–2307 to be under the new subtitle “Subtitle 23. Build Our Future Grant Pilot Program”
Annotated Code of Maryland

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.



(2018 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, without amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(i)
 Annotated Code of Maryland
 (2021 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(ii)170. and 171.
 Annotated Code of Maryland
 (2021 Replacement Volume and 2022 Supplement)

BY adding to
 Article – State Finance and Procurement
 Section 6–226(a)(2)(ii)172.
 Annotated Code of Maryland
 (2021 Replacement Volume and 2022 Supplement)

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

Article – Economic Development

5–102.

The Department shall administer the State’s economic development and financial assistance programs and funds including:

(1) the BRAC Revitalization and Incentive Zone Program, under Subtitle 13 of this title;

(2) **THE BUILD OUR FUTURE GRANT PILOT PROGRAM, UNDER SUBTITLE 23 OF THIS TITLE;**

(3) the Enterprise Fund, under Subtitle 6 of this title;

[(3)] (4) the Enterprise Zones Program, under Subtitle 7 of this title;

[(4)] (5) the Make Office Vacancies Extinct Program, under Subtitle 15 of this title;

[(5)] (6) the Maryland Economic Adjustment Fund, under Subtitle 2 of this title;

[(6)] (7) the Maryland Economic Development Assistance Authority and Fund, under Subtitle 3 of this title;

[(7)] (8) the Maryland Industrial Development Financing Authority, under Subtitle 4 of this title;

[(8)] (9) the Maryland Small Business Development Financing Authority, under Subtitle 5 of this title;

[(9)] (10) the Appalachian Regional Development Program, under Title 13, Subtitle 1 of this article;

[(10)] (11) jointly with the Department of Housing and Community Development, the Community Development Block Grant for Economic Development;

[(11)] (12) the Regional Institution Strategic Enterprise Zone Program under Subtitle 14 of this title; and

[(12)] (13) any other programs or funds designated by statute, the Governor, or the Secretary.

SUBTITLE 23. BUILD OUR FUTURE GRANT PILOT PROGRAM.

5-2301.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “FUND” MEANS THE BUILD OUR FUTURE GRANT FUND.

(C) “PROGRAM” MEANS THE BUILD OUR FUTURE GRANT PILOT PROGRAM.

5-2302.

(A) THERE IS A BUILD OUR FUTURE GRANT PILOT PROGRAM IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANT FUNDING FOR INFRASTRUCTURE PROJECTS INTENDED TO SUPPORT INNOVATION IN AN ELIGIBLE TECHNOLOGY SECTOR.

(C) GRANTS MAY BE AWARDED TO PRIVATE COMPANIES, NONPROFIT ENTITIES, LOCAL GOVERNMENTS, OR COLLEGES AND UNIVERSITIES IN THE STATE.

(D) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

5-2303.

(A) TO CARRY OUT THE PURPOSE OF THE PROGRAM, THE DEPARTMENT MAY AWARD GRANTS IN ACCORDANCE WITH THIS SUBTITLE TO APPROVED RECIPIENTS CARRYING OUT INFRASTRUCTURE PROJECTS INTENDED TO SUPPORT INNOVATION IN ANY OF THE FOLLOWING ELIGIBLE TECHNOLOGY SECTORS:

- (1) ADVANCED MANUFACTURING;**
- (2) AEROSPACE;**
- (3) AGRICULTURE;**
- (4) ARTIFICIAL INTELLIGENCE;**
- (5) BIOTECHNOLOGY;**
- (6) BLUE TECHNOLOGY;**
- (7) CYBERSECURITY;**
- (8) DEFENSE;**
- (9) ENERGY AND SUSTAINABILITY;**
- (10) LIFE SCIENCES;**
- (11) QUANTUM; AND**
- (12) SENSOR AND ROBOTICS.**

(B) EXAMPLES OF ELIGIBLE PROJECTS INCLUDE:

- (1) ~~SECURE-COMPARTMENTALIZED~~ SENSITIVE COMPARTMENTED INFORMATION FACILITIES;**
- (2) WET LABORATORIES;**
- (3) CYBER RANGES;**
- (4) PROTOTYPE MANUFACTURING CENTERS; AND**
- (5) OTHER SPECIALIZED WORKFORCE TRAINING, SKILL CERTIFICATION, OR RESEARCH-RELATED SPACES.**

(C) GRANT AWARDS MAY BE USED TO DEFRAY THE COST A GRANTEE INCURS TO ACQUIRE, CONSTRUCT, REHABILITATE, INSTALL, IMPROVE, OR EQUIP AN ELIGIBLE INNOVATION INFRASTRUCTURE PROJECT.

(D) (1) A SINGLE ENTITY MAY BE AWARDED NOT MORE THAN \$2,000,000 IN GRANT FUNDS IN A FISCAL YEAR.

(2) (I) FOR A GRANT AWARD UP TO \$1,000,000, A GRANTEE SHALL PROVIDE MATCHING FUNDS THAT ARE AT LEAST 200% OF THE GRANT AMOUNT.

(II) FOR A GRANT AWARD EXCEEDING \$1,000,000, AND UP TO \$2,000,000, A GRANTEE SHALL PROVIDE MATCHING FUNDS THAT ARE AT LEAST 400% OF THE GRANT AMOUNT.

(III) FUNDS RECEIVED BY A GRANTEE THROUGH OTHER STATE GRANT PROGRAMS ARE NOT COUNTED TOWARD THE GRANTEE'S MATCHING FUNDS REQUIREMENT.

(3) A GRANTEE MUST DEMONSTRATE AN ABILITY TO COVER THE FULL ESTIMATED COSTS OF THE PROJECT FOR WHICH THE GRANT IS AWARDED.

(4) (I) NOT MORE THAN 50% OF THE APPROPRIATION TO THE FUND IN A FISCAL YEAR MAY BE AWARDED TO COLLEGES AND UNIVERSITIES IN THAT FISCAL YEAR.

(II) GRANTS TO COLLEGES AND UNIVERSITIES FROM THE FUND MUST BE AWARDED TO PROJECTS THAT:

1. ARE PERFORMED IN COLLABORATION WITH PRIVATE INDUSTRY; OR

2. OFFER THE PROSPECT OF SIGNIFICANT ECONOMIC IMPACT AND THE OPPORTUNITY TO DEVELOP ENTREPRENEURSHIP OR CLUSTERS OF TECHNOLOGICAL INNOVATION IN THE STATE.

5-2304.

A GRANTEE MAY BE SUBJECT TO REPAYMENT OF THE GRANT IN AN AMOUNT DETERMINED BY THE DEPARTMENT IF THE GRANTEE FAILS TO:

(1) COMPLY WITH REPORTING REQUIREMENTS ESTABLISHED BY THE DEPARTMENT; OR

(2) DEMONSTRATE APPROPRIATE USE OF GRANT FUNDS.

5-2305.

(A) THERE IS A BUILD OUR FUTURE GRANT FUND.

(B) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS FOR INFRASTRUCTURE PROJECTS TO SUPPORT INNOVATION IN ELIGIBLE TECHNOLOGY SECTORS UNDER THIS SUBTITLE.

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

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

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) ANY INTEREST EARNINGS OF THE FUND; AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) (1) THE FUND MAY BE USED TO:

(I) PROVIDE GRANTS IN ACCORDANCE WITH THIS SUBTITLE;

AND

(II) PAY THE ADMINISTRATIVE COSTS OF THE PROGRAM.

(2) DURING EACH FISCAL YEAR, THE DEPARTMENT MAY USE NOT MORE THAN 10% OF THE MONEY APPROPRIATED TO THE FUND TO ADMINISTER THE PROGRAM.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

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

(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

5-2306.

ON OR BEFORE JULY 1, 2026, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE PROJECTS FUNDED THROUGH AND THE ECONOMIC IMPACT OF THE PROGRAM.

5-2307.

THE SECRETARY MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

Article – State Finance and Procurement

6-226.

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

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

170. the Cannabis Public Health Fund; [and]

171. the Community Reinvestment and Repair Fund; **AND**

172. THE BUILD OUR FUTURE GRANT FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That, on termination of this Act, all funds remaining in the Build Our Future Grant Fund under § 5-2305 of the Economic Development Article, as enacted by Section 1 of this Act, shall revert to the General Fund of the State.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023. It shall remain effective for a period of 4 years and, at the end of June 30, 2027, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.