

# HOUSE BILL 648

C8

5lr1836  
CF SB 377

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By: **Delegates Wells, Boyce, Ruff, Smith, and Young**

Introduced and read first time: January 23, 2025

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Business Resource Initiative for Developmental**  
3 **Growth and Empowerment (BRIDGE) Program – Establishment**

4 FOR the purpose of establishing the Business Resource Initiative for Developmental  
5 Growth and Empowerment (BRIDGE) Program and Fund in the Department of  
6 Commerce to provide grants to certain business entities to establish certain business  
7 incubators; and generally relating to the establishment of the Business Resource  
8 Initiative for Developmental Growth and Empowerment Program and Fund.

9 BY repealing and reenacting, without amendments,  
10 Article – Economic Development  
11 Section 1–101(a) and (c)  
12 Annotated Code of Maryland  
13 (2024 Replacement Volume and 2024 Supplement)

14 BY adding to  
15 Article – Economic Development  
16 Section 5–2701 through 5–2706 to be under the new subtitle “Subtitle 27. BRIDGE  
17 Program”  
18 Annotated Code of Maryland  
19 (2024 Replacement Volume and 2024 Supplement)

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

22 **Article – Economic Development**

23 1–101.

24 (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.



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

**SUBTITLE 27. BRIDGE PROGRAM.**

**5-2701.**

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

**(B) “BRIDGE PROGRAM” MEANS THE BUSINESS RESOURCE INITIATIVE FOR DEVELOPMENTAL GROWTH AND EMPOWERMENT PROGRAM.**

**(C) “FUND” MEANS THE BUSINESS RESOURCE INITIATIVE FOR DEVELOPMENTAL GROWTH AND EMPOWERMENT FUND.**

**(D) “QUALIFIED INCUBATOR” MEANS A FOR-PROFIT ORGANIZATION, NONPROFIT ORGANIZATION, B CORPORATION, PUBLIC-PRIVATE PARTNERSHIP, OR SOCIAL ENTERPRISE IN THE STATE THAT:**

**(1) PRIMARILY SERVES OR WILL PRIMARILY SERVE BUSINESSES IN THE STATE;**

**(2) REQUIRES OR WILL REQUIRE PARTICIPATING BUSINESSES TO ENGAGE IN A FORMAL INCUBATOR PROGRAM DESIGNED TO ADVANCE EARLY-STAGE BUSINESSES;**

**(3) IS STAFFED OR WILL BE STAFFED BY AT LEAST ONE INDIVIDUAL DEDICATED TO MENTORING BUSINESSES AND GUIDING BUSINESSES THROUGH THE BRIDGE PROGRAM;**

**(4) IS DIRECTED BY AN INDIVIDUAL WHO HAS COMPLETED A TRAINING PROGRAM THAT:**

**(I) FOCUSED ON OPERATING A BUSINESS INCUBATOR TARGETING SOCIALLY AND ECONOMICALLY DISADVANTAGED ENTREPRENEURS OR HELPING SOCIALLY AND ECONOMICALLY DISADVANTAGED ENTREPRENEURS SECURE INVESTMENT; AND**

**(II) INCORPORATED TOPICS INCLUDING:**

**1. DIVERSITY, EQUITY, AND INCLUSION SOLUTIONS;**

**2. BUILDING WEALTH IN DIVERSE COMMUNITIES;**

1                                   3.    NAVIGATING                   DIVERSE                   TECHNOLOGY  
2    ENTREPRENEURSHIP;

3                                   4.    RISK, LEGAL ISSUES, AND SECURITIES AND  
4    EXCHANGE COMMISSION REGULATIONS;

5                                   5.    THE DUE DILIGENCE PROCESS FOR EARLY-STAGE  
6    INVESTMENTS;

7                                   6.    ACCOUNTING, TAXES, AND EXITS FOR COMPANIES  
8    AND FOUNDERS;

9                                   7.    UNDERSTANDING AND MITIGATING CONSCIOUS AND  
10   UNCONSCIOUS BIAS; AND

11                                  8.    CORPORATE BOARD GOVERNANCE, HUMAN  
12   RESOURCES, PROCUREMENT, PRODUCT DEVELOPMENT, AND CORPORATE  
13   INNOVATION; AND

14                   (5)    WAS ESTABLISHED ON OR AFTER JANUARY 1, 2012.

15    5-2702.

16           (A)   (1)    THERE IS A BRIDGE PROGRAM IN THE DEPARTMENT.

17                   (2)    THE PURPOSE OF THE BRIDGE PROGRAM IS TO PROVIDE  
18   GRANTS TO QUALIFIED INCUBATORS TO ESTABLISH DIVERSE AND EFFECTIVE  
19   BUSINESS INCUBATORS IN THE STATE.

20           (B)    THE DEPARTMENT SHALL ADMINISTER THE BRIDGE PROGRAM.

21    5-2703.

22           (A)    EACH FISCAL YEAR, THE DEPARTMENT SHALL AWARD GRANTS IN  
23   ACCORDANCE WITH THIS SECTION.

24           (B)   (1)    THE DEPARTMENT MAY AWARD A GRANT UNDER THE BRIDGE  
25   PROGRAM FOR:

26                   (I)    PLANNING THE ESTABLISHMENT OF A QUALIFIED  
27   INCUBATOR OR PLANNING FOR A QUALIFIED INCUBATOR'S LONG-TERM  
28   SUSTAINABILITY;

1                   **(II) CAPITAL IMPROVEMENTS, SECURING REAL ESTATE,**  
2 **RENOVATIONS, AND THE PURCHASE OF CAPITAL EQUIPMENT TO ESTABLISH OR**  
3 **GROW A QUALIFIED INCUBATOR; OR**

4                   **(III) OPERATING AND PROGRAM EXPENSES ASSOCIATED WITH**  
5 **SUPPORTING PROGRAMS.**

6                   **(2) EXCEPT IN THE FIRST YEAR OF A GRANT, GRANTS AWARDED**  
7 **UNDER THE BRIDGE PROGRAM MAY NOT BE USED TO SUPPORT MORE THAN 25%**  
8 **OF THE OPERATING EXPENSES OF A QUALIFIED INCUBATOR.**

9                   **(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**  
10 **GRANTS AWARDED UNDER THE BRIDGE PROGRAM SHALL RENEW AND BE**  
11 **AWARDED TO A QUALIFIED INCUBATOR EACH FISCAL YEAR WITHOUT FURTHER**  
12 **APPLICATION.**

13                   **(II) THE RENEWAL OF A GRANT IS SUBJECT TO THE QUALIFIED**  
14 **INCUBATOR'S COMPLIANCE WITH THE TERMS OF THE GRANT INCLUDING ECONOMIC**  
15 **IMPACT METRICS PROPOSED IN THE APPLICATION FOR THE GRANT AND ON A**  
16 **COMPETITIVE BASIS WITH OTHER QUALIFIED INCUBATORS APPLYING FOR**  
17 **FUNDING.**

18                   **(4) FOR ANY FISCAL YEAR, AN ORGANIZATION MAY NOT RECEIVE A**  
19 **GRANT UNDER THE BRIDGE PROGRAM THAT IS LESS THAN \$100,000 OR EXCEEDS**  
20 **\$400,000.**

21                   **(C) (1) THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE**  
22 **APPLICATION PROCESS FOR GRANTS MADE UNDER THE BRIDGE PROGRAM.**

23                   **(2) IN MAKING AWARDS, THE DEPARTMENT SHALL GIVE**  
24 **PREFERENCE TO QUALIFIED INCUBATORS THAT:**

25                   **(I) HAVE A PROGRAM MANAGED BY SOCIALLY OR**  
26 **ECONOMICALLY DISADVANTAGED INDIVIDUALS;**

27                   **(II) ARE LOCATED IN A FEDERALLY RECOGNIZED HUB ZONE, A**  
28 **STATE QUALIFIED OPPORTUNITY ZONE, OR AN UNDERSERVED COMMUNITY;**

29                   **(III) HAVE EXPERIENCE SUPPORTING COMPANIES IN THE**  
30 **START-UP STAGE;**

31                   **(IV) SERVE COMPANIES LED BY SOCIALLY OR ECONOMICALLY**  
32 **DISADVANTAGED INDIVIDUALS AND THAT HAVE AN ECONOMIC IMPACT ON**  
33 **UNDERSERVED COMMUNITIES; OR**

1 (V) HAVE ESTABLISHED A PRESENCE IN AN UNDERSERVED  
2 COMMUNITY.

3 5-2704.

4 (A) (1) THE DEPARTMENT AND A GRANT RECIPIENT SHALL EXECUTE A  
5 BRIDGE PROGRAM AGREEMENT.

6 (2) THE GRANT RECIPIENT SHALL COMPLY WITH THE TERMS OF THE  
7 BRIDGE PROGRAM AGREEMENT.

8 (3) THE DEPARTMENT MAY EXERCISE ANY REMEDY AUTHORIZED BY  
9 LAW IF THE GRANT RECIPIENT:

10 (I) VIOLATES ANY PROVISION OF THE BRIDGE PROGRAM  
11 AGREEMENT; OR

12 (II) DOES NOT MEET A REQUIREMENT UNDER THIS SUBTITLE.

13 (B) (1) ON OR BEFORE SEPTEMBER 1, 2027, AND EACH SEPTEMBER 1  
14 THEREAFTER, AN ORGANIZATION THAT RECEIVES A GRANT UNDER THE BRIDGE  
15 PROGRAM SHALL REPORT TO THE DEPARTMENT DOCUMENTING HOW THE  
16 ORGANIZATION USED THE GRANT MONEY RECEIVED IN THE IMMEDIATELY  
17 PRECEDING FISCAL YEAR.

18 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS  
19 SUBSECTION SHALL INCLUDE:

20 (I) INFORMATION ABOUT THE USE OF THE GRANT;

21 (II) THE ECONOMIC IMPACT OF THE GRANT; AND

22 (III) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS  
23 NECESSARY TO DETERMINE THE EFFECTIVENESS AND IMPACT OF THE BRIDGE  
24 PROGRAM.

25 (3) ON OR BEFORE DECEMBER 31, 2027, AND EACH DECEMBER 31  
26 THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN  
27 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE  
28 FOLLOWING INFORMATION FOR THE PRECEDING FISCAL YEAR:

29 (I) THE NUMBER OF GRANTS AWARDED UNDER THE BRIDGE  
30 PROGRAM;

1 (II) THE AMOUNT OF EACH GRANT AWARDED UNDER THIS  
2 SUBTITLE; AND

3 (III) THE NAME AND LOCATION OF EACH ORGANIZATION  
4 AWARDED A GRANT UNDER THE BRIDGE PROGRAM.

5 5-2705.

6 (A) THERE IS A BUSINESS RESOURCE INITIATIVE FOR DEVELOPMENTAL  
7 GROWTH AND EMPOWERMENT FUND.

8 (B) THE PURPOSE OF THE FUND IS TO FUND GRANTS AWARDED UNDER THE  
9 BRIDGE PROGRAM IN ACCORDANCE WITH THIS SUBTITLE.

10 (C) THE DEPARTMENT SHALL ADMINISTER THE FUND.

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

13 (E) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE  
14 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

15 (F) THE FUND CONSISTS OF:

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

17 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
18 THE BENEFIT OF THE FUND.

19 (G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,  
20 THE FUND MAY BE USED ONLY TO PROVIDE GRANTS UNDER THE BRIDGE  
21 PROGRAM.

22 (2) UP TO 7% OF THE ANNUAL APPROPRIATION TO THE FUND MAY BE  
23 USED FOR THE ADMINISTRATION OF THE FUND AND THE BRIDGE PROGRAM.

24 (H) FOR EACH OF FISCAL YEARS 2027 THROUGH 2032, THE GOVERNOR MAY  
25 INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 TO THE  
26 FUND.

27 (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN  
28 THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

1           **(J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
2 **WITH THE STATE BUDGET.**

3           **(K) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE**  
4 **GENERAL FUND OF THE STATE.**

5 **5-2706.**

6           **NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PROHIBIT AN**  
7 **ORGANIZATION FROM RECEIVING FUNDS FROM A GOVERNMENT SOURCE OTHER**  
8 **THAN THE BRIDGE PROGRAM.**

9           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2025. It shall remain effective for a period of 7 years and, at the end of June 30, 2032,  
11 this Act, with no further action required by the General Assembly, shall be abrogated and  
12 of no further force and effect.