

SENATE BILL 377

C8
SB 765/24 – FIN

5lr1837
CF 5lr1836

By: **Senator A. Washington**

Introduced and read first time: January 17, 2025

Assigned to: Finance

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.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 **SUBTITLE 27. BRIDGE PROGRAM.**

3 **5-2701.**

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

6 (B) "BRIDGE PROGRAM" MEANS THE BUSINESS RESOURCE INITIATIVE
7 FOR DEVELOPMENTAL GROWTH AND EMPOWERMENT PROGRAM.

8 (C) "FUND" MEANS THE BUSINESS RESOURCE INITIATIVE FOR
9 DEVELOPMENTAL GROWTH AND EMPOWERMENT FUND.

10 (D) "QUALIFIED INCUBATOR" MEANS A FOR-PROFIT ORGANIZATION,
11 NONPROFIT ORGANIZATION, B CORPORATION, PUBLIC-PRIVATE PARTNERSHIP, OR
12 SOCIAL ENTERPRISE IN THE STATE THAT:

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

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

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

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

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

27 (II) INCORPORATED TOPICS INCLUDING:

28 1. DIVERSITY, EQUITY, AND INCLUSION SOLUTIONS;

29 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) (1) THE DEPARTMENT SHALL ADMINISTER THE BRIDGE PROGRAM.**

21 **(2) THE DEPARTMENT SHALL HIRE AT LEAST ONE FULL-TIME**
22 **COORDINATOR TO ADMINISTER THE BRIDGE PROGRAM.**

23 **5-2703.**

24 **(A) EACH FISCAL YEAR, THE DEPARTMENT SHALL AWARD GRANTS IN**
25 **ACCORDANCE WITH THIS SECTION.**

26 **(B) (1) THE DEPARTMENT MAY AWARD A GRANT UNDER THE BRIDGE**
27 **PROGRAM FOR:**

1 (I) PLANNING THE ESTABLISHMENT OF A QUALIFIED
2 INCUBATOR OR PLANNING FOR A QUALIFIED INCUBATOR'S LONG-TERM
3 SUSTAINABILITY;

4 (II) CAPITAL IMPROVEMENTS, SECURING REAL ESTATE,
5 RENOVATIONS, AND THE PURCHASE OF CAPITAL EQUIPMENT TO ESTABLISH OR
6 GROW A QUALIFIED INCUBATOR; OR

7 (III) OPERATING AND PROGRAM EXPENSES ASSOCIATED WITH
8 SUPPORTING PROGRAMS.

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

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

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

21 (4) FOR ANY FISCAL YEAR, AN ORGANIZATION MAY NOT RECEIVE A
22 GRANT UNDER THE BRIDGE PROGRAM THAT IS LESS THAN \$100,000 OR EXCEEDS
23 \$400,000.

24 (C) (1) THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE
25 APPLICATION PROCESS FOR GRANTS MADE UNDER THE BRIDGE PROGRAM.

26 (2) THE DEPARTMENT SHALL AWARD AT LEAST HALF OF THE MONEY
27 APPROPRIATED TO THE BRIDGE PROGRAM TO ORGANIZATIONS THAT
28 PARTICIPATE IN PROCUREMENTS UNDER § 14-302 OF THE STATE FINANCE AND
29 PROCUREMENT ARTICLE AND GIVE PREFERENCE TO QUALIFIED INCUBATORS
30 THAT:

31 (I) HAVE A PROGRAM MANAGED BY SOCIALLY OR
32 ECONOMICALLY DISADVANTAGED INDIVIDUALS;

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

1 (III) HAVE EXPERIENCE SUPPORTING COMPANIES IN THE
2 START-UP STAGE;

3 (IV) SERVE COMPANIES LED BY SOCIALLY OR ECONOMICALLY
4 DISADVANTAGED INDIVIDUALS AND THAT HAVE AN ECONOMIC IMPACT ON
5 UNDERSERVED COMMUNITIES; OR

6 (V) HAVE ESTABLISHED A PRESENCE IN AN UNDERSERVED
7 COMMUNITY.

8 5-2704.

9 (A) (1) THE DEPARTMENT AND A GRANT RECIPIENT SHALL EXECUTE A
10 BRIDGE PROGRAM AGREEMENT.

11 (2) THE GRANT RECIPIENT SHALL COMPLY WITH THE TERMS OF THE
12 BRIDGE PROGRAM AGREEMENT.

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

15 (I) VIOLATES ANY PROVISION OF THE BRIDGE PROGRAM
16 AGREEMENT; OR

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

18 (B) (1) ON OR BEFORE SEPTEMBER 1, 2027, AND EACH SEPTEMBER 1
19 THEREAFTER, AN ORGANIZATION THAT RECEIVES A GRANT UNDER THE BRIDGE
20 PROGRAM SHALL REPORT TO THE DEPARTMENT DOCUMENTING HOW THE
21 ORGANIZATION USED THE GRANT MONEY RECEIVED IN THE IMMEDIATELY
22 PRECEDING FISCAL YEAR.

23 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
24 SUBSECTION SHALL INCLUDE:

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

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

27 (III) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS
28 NECESSARY TO DETERMINE THE EFFECTIVENESS AND IMPACT OF THE BRIDGE
29 PROGRAM.

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

5 **(I) THE NUMBER OF GRANTS AWARDED UNDER THE BRIDGE**
6 **PROGRAM;**

7 **(II) THE AMOUNT OF EACH GRANT AWARDED UNDER THIS**
8 **SUBTITLE; AND**

9 **(III) THE NAME AND LOCATION OF EACH ORGANIZATION**
10 **AWARDED A GRANT UNDER THE BRIDGE PROGRAM.**

11 **5-2705.**

12 **(A) THERE IS A BUSINESS RESOURCE INITIATIVE FOR DEVELOPMENTAL**
13 **GROWTH AND EMPOWERMENT FUND.**

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

16 **(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

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

19 **(E) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE**
20 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

21 **(F) THE FUND CONSISTS OF:**

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

23 **(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
24 **THE BENEFIT OF THE FUND.**

25 **(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
26 **THE FUND MAY BE USED ONLY TO PROVIDE GRANTS UNDER THE BRIDGE**
27 **PROGRAM.**

28 **(2) UP TO 15% OF THE ANNUAL APPROPRIATION TO THE FUND MAY**
29 **BE USED FOR THE ADMINISTRATION OF THE FUND AND THE BRIDGE PROGRAM.**

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

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

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

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

10 **5-2706.**

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

14 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**
15 **1, 2025. It shall remain effective for a period of 7 years and, at the end of June 30, 2032,**
16 **this Act, with no further action required by the General Assembly, shall be abrogated and**
17 **of no further force and effect.**