



**TESTIMONY PRESENTED TO THE
HOUSE WAYS AND MEANS AND APPROPRIATIONS COMMITTEES
SENATE BUDGET AND TAXATION AND FINANCE COMMITTEES**

**HOUSE BILL – 498 / SENATE BILL 427
ECONOMIC DEVELOPMENT - DELIVERING ECONOMIC COMPETITIVENESS
AND ADVANCING DEVELOPMENT EFFORTS (DECADE) ACT**

POSITION: SUPPORT

MARCH 4, 2025

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland-based technology companies.

TEDCO supports House Bill 498 / Senate Bill 427, the DECADE Act, and thanks Governor Moore, for his leadership on this important issue. This legislation requires the Department of Commerce to evaluate the potential employment and economic growth of the State's industry sectors and establish a list of lighthouse industry sectors and activities to be considered for additional support; revamps the Maryland Economic Development Commission and Commerce Subcabinet; alters and modernizes the designation, administration, and purposes of and eligibility for certain economic development programs and incentives; etc.

Among the various changes proposed by the legislation, it provides authority for TEDCO to adopt additional regulations related to the responsibilities of TEDCO's investment committee, specifically, the development of a process for considering and pursuing remedies for investments that no longer meet the definition of a qualified business. The legislation also provides additional remedies other than divestment for an investment that TEDCO holds over 15 years.

This change would modify the current, punitive approach to TEDCO portfolio companies that fall out of compliance with the qualified Maryland business criteria due to growth and/or M&A activity, etc. Thus, allowing TEDCO more latitude to liquidate investment that no longer meets the statute for a Maryland based firm to allow a more controlled exit and better enhance TEDCO returns for state money and a more controlled exit to help offset negative outcomes for the growing startup company, when appropriate and under the oversight of the Investment Committee of TEDCO's Board.

For all these reasons, **TEDCO supports the legislation and requests a favorable report.**