



**TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE
JANUARY 29, 2026**

**SENATE BILL – 248 - MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION -
INVESTMENTS - ALTERATIONS**

POSITION: SUPPORT

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 Senate Bill 248 Maryland Technology Development Corporation - Investments - Alterations, and thanks Chair Beidle, for her leadership on this important issue.

History/Background:

This legislation, recommended by the Maryland Attorney General Office, provides clarity and better control over when TEDCO has to exit an investment. This provision is the same language that was included in the version of the Administration's 2025 DECADE Act that passed the Senate Finance Committee and Senate.

Bill Summary:

Senate Bill 248 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 modifies current statute that stipulates divestment for TEDCO portfolio companies that no longer meet the statutory "qualified Maryland business" definition due to growth and/or M&A activity, etc. This modification enables a more controlled investment exit, improving TEDCO's ability to enhance returns for state money and providing a mechanism to help offset negative outcomes for expanding Maryland startups, when and if appropriate, and under the oversight of the Investment Committee of TEDCO's Board.

An recent example saw TEDCO forgo almost \$2.5M (which would have been reinvested in the Maryland startup ecosystem) because a firm grew (as we want them to do) and became non-compliant with Maryland's qualified business workforce residency requirements (COMAR 14.04.02.04(A)(2)).

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