

HOUSE BILL 410

C8

7lr0188
CF SB 313

By: **The Speaker (By Request – Administration) and Delegates Adams, Afzali, Anderton, ~~Arentz~~, Beitzel, Buckel, Carozza, Cassilly, Ciliberti, Clark, Flanagan, Folden, ~~Gramer~~, Hornberger, Jacobs, Kipke, Kittleman, Krebs, Long, Malone, Mautz, McComas, McKay, Metzgar, Miele, Reilly, Rose, Shoemaker, Simonaire, Szeliga, Vogt, West, B. Wilson, ~~and Wivell~~ Wivell, Jameson, and Clippinger**

Introduced and read first time: January 26, 2017
Assigned to: Economic Matters and Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 13, 2017

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Maryland Energy Innovation Institute**

3 FOR the purpose of establishing a Maryland Energy Innovation Institute for certain
4 purposes; providing that the Institute is a part of the A. James Clark School of
5 Engineering of the University of Maryland; providing that the School shall manage
6 the Institute according to certain policies with advice of the Advisory Board of the
7 Institute; establishing the purposes of the Institute; providing that the exercise of
8 certain powers by the Institute is an essential governmental function; establishing
9 an Advisory Board of the Institute for certain purposes; providing for the
10 membership, ~~terms~~, powers, and officers of the Institute Board; providing that the
11 Director of the University of Maryland Energy Research Center is the Director of the
12 Institute; providing for the appointment of an Associate Director; establishing the
13 duties of the Institute Director; authorizing the Institute to retain certain staff and
14 consultants; establishing the powers of the Institute; establishing the Maryland
15 Energy Innovation Fund as a special, nonlapsing revolving fund in the University
16 System of Maryland to be used by the Institute and the Maryland Clean Energy
17 Center; specifying the purposes and uses of the Fund; providing that the Institute
18 shall manage and supervise the Fund; requiring the State Treasurer to hold the
19 Fund and the Comptroller to account for the Fund; specifying the contents of the
20 Fund; providing for the investment of money in the Fund; requiring interest earnings

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.



1 of the Fund to be credited to the Fund; providing for the audit of the books and
 2 records of the Institute in a certain manner; providing that the Institute and the
 3 Center are independent entities that are not responsible for each other's debts,
 4 liabilities, bonds, or obligations; requiring the Institute to report each year to the
 5 Governor, the Maryland Energy Administration, and the General Assembly on
 6 certain matters; stating the intent of the General Assembly regarding coordination
 7 of functions and avoidance of duplication of effort between the Center and the
 8 Administration; altering the purposes of the Maryland Clean Energy Center;
 9 altering the membership of the Board of Directors of the Center; providing that the
 10 Governor shall appoint the chair of the Board; ~~repealing the function of~~ requiring the
 11 Board to establish a Financing Investment Advisory Committee for certain purposes;
 12 providing for the membership of the Advisory Committee; requiring the Advisory
 13 Committee to review certain matters and make certain recommendations;
 14 authorizing certain State economic development units to provide representatives,
 15 resources, and expertise to the Advisory Committee for certain purposes; authorizing
 16 the Center to disseminate, rather than to act as a clearinghouse, for certain
 17 information and materials for certain purposes; providing that the Center ~~shall~~ may
 18 consult with the Administration when cooperating with certain entities and
 19 coordinating certain activities with certain programs and persons; requiring certain
 20 State economic development units to cooperate with the Center and authorizing
 21 those units to provide certain resources and expertise for certain purposes; requiring
 22 the Center to publish certain audits on its Web site; repealing the Maryland Clean
 23 Energy Technology Incubator Program in the Center; exempting the Fund from a
 24 certain provision of law requiring interest earnings of State money to accrue to the
 25 General Fund of the State; providing that the Institute is exempt from State and
 26 local taxes; providing for the transfer of certain funds in each of certain fiscal years
 27 to the Fund from the Strategic Energy Investment Fund; ~~providing for the initial~~
 28 ~~terms of the members of the Institute Board~~ requiring the Center to prepare a certain
 29 work plan for certain purposes; requiring the Center to report to the Governor, the
 30 Administration, and the General Assembly on certain matters on or before a certain
 31 date; requiring the Institute to conduct a certain study and report on its findings and
 32 recommendations to the Governor, the Administration, and the General Assembly
 33 on or before a certain date; defining certain terms; providing that certain obligations
 34 or contracts may not be impaired by this Act; providing that certain loan obligations
 35 be converted to grants from the Administration to the Center; and generally relating
 36 to the Maryland Energy Innovation Institute, the Maryland Clean Energy Center,
 37 and economic development.

38 BY repealing

39 Article – Economic Development

40 Section 10–829 through 10–837 and the part “Part III. Maryland Clean Energy
 41 Technology Incubator Program”

42 Annotated Code of Maryland

43 (2008 Volume and 2016 Supplement)

44 BY repealing and reenacting, without amendments,

45 Article – Economic Development

1 Section 10–801(a), (b), (c), (e), (f), (h), and (i)
2 Annotated Code of Maryland
3 (2008 Volume and 2016 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Economic Development
6 Section 10–806, 10–807, 10–808, 10–810, 10–823, and 10–825
7 Annotated Code of Maryland
8 (2008 Volume and 2016 Supplement)

9 BY adding to
10 Article – Economic Development
11 Section 10–828 through ~~10–838~~ 10–839 to be under the new part “Part III. Maryland
12 Energy Innovation Institute”
13 Annotated Code of Maryland
14 (2008 Volume and 2016 Supplement)
15 (As enacted by Section 1 of this Act)

16 BY repealing and reenacting, without amendments,
17 Article – State Finance and Procurement
18 Section 6–226(a)(2)(i)
19 Annotated Code of Maryland
20 (2015 Replacement Volume and 2016 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – State Finance and Procurement
23 Section 6–226(a)(2)(ii)94. and 95.
24 Annotated Code of Maryland
25 (2015 Replacement Volume and 2016 Supplement)

26 BY adding to
27 Article – State Finance and Procurement
28 Section 6–226(a)(2)(ii)96.
29 Annotated Code of Maryland
30 (2015 Replacement Volume and 2016 Supplement)

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
32 That Section(s) 10–829 through 10–837 and the part “Part III. Maryland Clean Energy
33 Technology Incubator Program” of Article – Economic Development of the Annotated Code
34 of Maryland be repealed.

35 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
36 as follows:

37 **Article – Economic Development**

38 10–801.

- 1 (a) In this subtitle the following words have the meanings indicated.
- 2 (b) “Administration” means the Maryland Energy Administration.
- 3 (c) “Board” means the Board of Directors of the Center.
- 4 (e) “Center” means the Maryland Clean Energy Center.
- 5 (f) “Clean energy” includes:
- 6 (1) solar photovoltaic technology;
- 7 (2) solar heating;
- 8 (3) geothermal;
- 9 (4) wind;
- 10 (5) biofuels;
- 11 (6) ethanol;
- 12 (7) other qualifying biomass as defined in § 7–701 of the Public Utilities
13 Article;
- 14 (8) ocean, including energy from waves, tides, currents, and thermal
15 differences;
- 16 (9) a fuel cell that produces energy from biofuels, ethanol, or other
17 qualifying biomass;
- 18 (10) energy efficiency and conservation;
- 19 (11) any other technology or service that the Center determines will
20 contribute directly or indirectly to the production of energy from renewable or sustainable
21 sources, or to the improvement of efficiency in the use of energy; and
- 22 (12) deployment of any of the technologies or services listed in items (1)
23 through (11) of this subsection.
- 24 (h) “Director” means the Director of the Administration.
- 25 (i) “Executive Director” means the Executive Director of the Maryland Clean
26 Energy Center.

1 (a) There is a Maryland Clean Energy Center.

2 (b) The Center is a body politic and corporate and is an instrumentality of the
3 State.

4 (c) The exercise by the Center of the powers conferred by this subtitle is the
5 performance of an essential governmental function.

6 (d) The purposes of the Center are to:

7 (1) promote economic development and jobs in the clean energy industry
8 sector in the State;

9 (2) promote the deployment of clean energy technology in the State;

10 (3) serve as an incubator for the development of clean energy industry in
11 the State;

12 (4) **IN COLLABORATION WITH THE ADMINISTRATION**, collect, analyze,
13 and disseminate industry data; and

14 (5) provide outreach and technical support to further the clean energy
15 industry in the State.

16 (e) ~~The Center shall coordinate with the Maryland Energy Administration and~~
17 ~~may not duplicate the programs or activities of the Administration without consent of the~~
18 ~~Administration.~~ **IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT, AS THE CENTER**
19 **DEVELOPS PROGRAMS AND ACTIVITIES UNDER THIS SUBTITLE, THE CENTER AND**
20 **THE ADMINISTRATION SHALL WORK COLLABORATIVELY TOGETHER, AS**
21 **APPROPRIATE, IN ORDER TO COORDINATE SHARED-INTEREST FUNCTIONS AND**
22 **AVOID DUPLICATION OF EFFORTS.**

23 10-807.

24 (a) A Board of Directors shall manage the Center and exercise its corporate
25 powers.

26 (b) The Board consists of the following ~~nine~~ **11** members:

27 (1) the Director, or the Director's designee;

28 ~~(2) THE DIRECTOR OF THE MARYLAND ECONOMIC DEVELOPMENT~~
29 ~~CORPORATION;~~

~~(3) THE DIRECTOR OF THE MARYLAND HEALTH AND HIGHER EDUCATION FACILITIES AUTHORITY;~~ and

~~[(2)] (4)~~ eight members appointed by the Governor with the advice and consent of the Senate:

(i) two representing the not-for-profit clean energy research sector of the State;

(ii) two with expertise in venture capital financing;

(iii) two representing clean energy industries in the State; [and]

(iv) [two members] **ONE CONSUMER MEMBER; AND**

(V) ONE MEMBER of the general public.

(c) A member of the Board shall reside in the State.

(d) In making appointments to the Board, the Governor shall consider:

(1) diversity; and

(2) all geographic regions of the State.

(e) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The term of an appointed member is 4 years and begins on July 1.

(2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(g) The Governor may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

1 10-808.

2 From among [its] **THE** members[,] **OF** the Board [shall elect]:

3 **(1) THE GOVERNOR SHALL APPOINT a chair[,] AND**

4 **(2) THE BOARD SHALL ELECT a vice chair[,] and a treasurer.**

5 10-810.

6 (a) (1) The Board shall establish an Advisory Committee.

7 (2) The Advisory Committee consists of individuals that the Board
8 considers will assist the Center in studying and developing policies to further the purposes
9 of this subtitle.

10 (b) **(1) THE BOARD SHALL ESTABLISH A FINANCING INVESTMENT**
11 **ADVISORY COMMITTEE.**

12 **(2) THE FINANCING INVESTMENT ADVISORY COMMITTEE CONSISTS**
13 **OF INDIVIDUALS WITH KNOWLEDGE AND EXPERTISE IN FINANCING MATTERS**
14 **RELEVANT TO BORROWER ELIGIBILITY, TERMS AND CONDITIONS OF SUPPORT, AND**
15 **OTHER FINANCING EVALUATION CRITERIA OF THE CENTER.**

16 **(3) BEFORE THE CENTER PROVIDES FINANCING FOR A PROJECT,**
17 **INCLUDING A PROJECT TO BE FUNDED BY THE MARYLAND ENERGY INNOVATION**
18 **FUND UNDER § 10-835 OF THIS SUBTITLE, THE FINANCING INVESTMENT ADVISORY**
19 **COMMITTEE SHALL REVIEW AND MAKE RECOMMENDATIONS TO THE BOARD FOR**
20 **QUALIFYING PROJECT APPLICANTS.**

21 **(4) THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION AND**
22 **OTHER STATE ECONOMIC DEVELOPMENT UNITS MAY PROVIDE RESOURCES AND**
23 **EXPERTISE TO THE FINANCING INVESTMENT ADVISORY COMMITTEE AND THE**
24 **CENTER TO ASSIST IN EVALUATING PROJECTS, COORDINATING FINANCING FOR**
25 **PROJECTS, AND OTHER MATTERS.**

26 (c) The Board may establish other committees as appropriate.

27 ~~[(c)]~~ (d) (1) The membership of a committee may include individuals who are
28 not Board members.

29 (2) The Board may establish the term and manner of selection of the
30 membership of a committee.

31 10-823.

1 (a) ~~¶~~The Center ~~shall serve as a clearinghouse for~~ MAY DISSEMINATE
 2 information and materials ~~that may be~~ pertinent to clean energy technology, ~~education,~~
 3 ~~and deployment~~ FINANCING, AND DEVELOPMENT in the State, for persons engaged in
 4 the clean energy industry as developers, manufacturers, and installers, as well as for
 5 consumers and financial institutions, including information on available federal, State, and
 6 private financial assistance and technical assistance.

7 (b) ~~¶~~ The Center may:

8 (1) cooperate with and provide assistance to local governments,
 9 instrumentalities, and research entities in the State; and

10 (2) coordinate clean energy technology development, education, and
 11 deployment activities with programs of the federal government and of governmental units
 12 and public and private entities in and outside the State.

13 ~~(B)~~ (C) **THE CENTER ~~SHALL~~ MAY CONDUCT THE ACTIVITIES UNDER THIS**
 14 **SECTION IN CONSULTATION WITH THE ADMINISTRATION.**

15 **(D) THE MARYLAND ENVIRONMENTAL SERVICE, THE MARYLAND**
 16 **ECONOMIC DEVELOPMENT CORPORATION, AND OTHER STATE ECONOMIC**
 17 **DEVELOPMENT UNITS SHALL COOPERATE WITH THE CENTER AND MAY MAKE**
 18 **AVAILABLE TO THE CENTER RESOURCES AND EXPERTISE FOR THE EVALUATION OF**
 19 **PROJECT FINANCING AND COORDINATION OF FINANCING BETWEEN THE CENTER**
 20 **AND OTHER ECONOMIC DEVELOPMENT UNITS.**

21 10-825.

22 (A) The books and records of the Center are subject to audit:

23 (1) at any time by the State; and

24 (2) each year by an independent auditor.

25 (B) **THE CENTER SHALL PUBLISH ITS ANNUAL AUDITS ON ITS WEB SITE.**

26 **PART III. MARYLAND ENERGY INNOVATION INSTITUTE.**

27 10-828.

28 (A) **IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**
 29 **INDICATED.**

1 (B) "ACADEMIC INSTITUTION" MEANS A PUBLIC SENIOR HIGHER
2 EDUCATION INSTITUTION OR AN INDEPENDENT INSTITUTION OF HIGHER
3 EDUCATION IN THE STATE, AS THOSE TERMS ARE DEFINED IN § 10-101 OF THE
4 EDUCATION ARTICLE.

5 (C) "FUND" MEANS THE MARYLAND ENERGY INNOVATION FUND.

6 (D) "INSTITUTE" MEANS THE MARYLAND ENERGY INNOVATION INSTITUTE.

7 (E) "INSTITUTE BOARD" MEANS THE ADVISORY BOARD OF THE MARYLAND
8 ENERGY INNOVATION INSTITUTE.

9 (F) "INSTITUTE DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND
10 ENERGY INNOVATION INSTITUTE.

11 10-829.

12 (A) THERE IS A MARYLAND ENERGY INNOVATION INSTITUTE.

13 (B) THE INSTITUTE IS A PART OF THE A. JAMES CLARK SCHOOL OF
14 ENGINEERING OF THE UNIVERSITY OF MARYLAND.

15 (C) THE A. JAMES CLARK SCHOOL OF ENGINEERING SHALL MANAGE THE
16 INSTITUTE ACCORDING TO THE POLICIES OF THE UNIVERSITY OF MARYLAND AND
17 THE UNIVERSITY SYSTEM OF MARYLAND WITH THE ADVICE OF THE INSTITUTE
18 BOARD.

19 (D) THE PURPOSES OF THE INSTITUTE ARE TO:

20 (1) COLLABORATE WITH ACADEMIC INSTITUTIONS IN THE STATE TO
21 PARTICIPATE IN CLEAN ENERGY PROGRAMS; AND

22 (2) DEVELOP AND ATTRACT PRIVATE INVESTMENT IN CLEAN ENERGY
23 INNOVATION AND COMMERCIALIZATION IN THE STATE.

24 (E) THE EXERCISE BY THE INSTITUTE OF THE POWERS CONFERRED BY THIS
25 PART IS THE PERFORMANCE OF AN ESSENTIAL GOVERNMENTAL FUNCTION.

26 10-830.

27 (A) (1) THERE IS AN ADVISORY BOARD OF THE INSTITUTE.

28 (2) THE INSTITUTE BOARD ADVISES THE UNIVERSITY OF MARYLAND
29 ON THE MANAGEMENT OF THE INSTITUTE.

1 (B) THE INSTITUTE BOARD CONSISTS OF THE FOLLOWING NINE MEMBERS:

2 (1) THE CHAIR OF THE BOARD OF DIRECTORS OF THE MARYLAND
3 CLEAN ENERGY CENTER;

4 (2) THE DIRECTOR; AND

5 (3) SEVEN MEMBERS SELECTED BY THE UNIVERSITY OF MARYLAND
6 BASED ON EXPERTISE IN ENERGY TECHNOLOGY COMMERCIALIZATION, THE CLEAN
7 ENERGY INDUSTRY, VENTURE CAPITAL FINANCING, AND ENERGY RESEARCH.

8 (C) A MEMBER OF THE INSTITUTE BOARD:

9 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
10 INSTITUTE BOARD; BUT

11 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
12 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

13 (D) ~~(1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS AND BEGINS ON~~
14 ~~JULY 1.~~

15 ~~(2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS~~
16 ~~REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON JULY 1, 2017.~~

17 ~~(3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO~~
18 ~~SERVE UNTIL A SUCCESSOR IS APPOINTED.~~

19 ~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES~~
20 ~~ONLY FOR THE REMAINDER OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED.~~

21 ~~(E) FROM AMONG ITS MEMBERS, THE INSTITUTE BOARD SHALL ELECT A~~
22 ~~CHAIR AND A VICE CHAIR.~~

23 10-831.

24 (A) THE INSTITUTE BOARD SHALL DETERMINE THE TIMES AND PLACES OF
25 ITS MEETINGS.

26 (B) (1) SEVEN MEMBERS OF THE INSTITUTE BOARD ARE A QUORUM.

27 (2) THE INSTITUTE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF
28 FIVE MEMBERS.

29 10-832.

1 **(A) (1) THE DIRECTOR OF THE UNIVERSITY OF MARYLAND ENERGY**
2 **RESEARCH CENTER, A UNIVERSITY OF MARYLAND FACULTY MEMBER, SHALL BE**
3 **THE DIRECTOR OF THE INSTITUTE.**

4 **(2) THE INSTITUTE DIRECTOR SHALL APPOINT AN ASSOCIATE**
5 **DIRECTOR WHO SHALL BE A UNIVERSITY OF MARYLAND FACULTY MEMBER.**

6 **(B) THE INSTITUTE DIRECTOR, OR THE INSTITUTE DIRECTOR'S DESIGNEE,**
7 **SHALL:**

8 **(1) ATTEND ALL MEETINGS OF THE INSTITUTE BOARD;**

9 **(2) ACT AS SECRETARY TO THE INSTITUTE BOARD;**

10 **(3) KEEP MINUTES OF ALL PROCEEDINGS OF THE INSTITUTE BOARD;**

11 **(4) APPROVE ALL SALARIES, PER DIEM PAYMENTS, AND ALLOWABLE**
12 **EXPENSES OF THE INSTITUTE, ITS EMPLOYEES, AND ITS CONSULTANTS;**

13 **(5) APPROVE ANY EXPENSES INCIDENTAL TO THE OPERATION OF THE**
14 **INSTITUTE; AND**

15 **(6) PERFORM THE OTHER DUTIES THE INSTITUTE BOARD DIRECTS IN**
16 **CARRYING OUT THIS PART.**

17 **10-833.**

18 **THE INSTITUTE MAY RETAIN ANY STAFF OR CONSULTANTS.**

19 **10-834.**

20 **THE INSTITUTE MAY:**

21 **(1) MAINTAIN OFFICES AT THE UNIVERSITY OF MARYLAND,**
22 **COLLEGE PARK;**

23 **(2) COORDINATE AND PROMOTE ENERGY RESEARCH AND EDUCATION**
24 **AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK, INCLUDING ITS RELEVANT**
25 **ENERGY CENTERS, AS WELL AS AT OTHER ACADEMIC INSTITUTIONS;**

26 **(3) PROVIDE ENERGY POLICY INNOVATION ADVICE TO STATE AND**
27 **FEDERAL UNITS;**

1 **(4) COLLABORATE WITH OTHER ACADEMIC INSTITUTIONS,**
2 **GOVERNMENTAL UNITS, FOUNDATIONS, AND INDUSTRIAL COMPANIES FOR CLEAN**
3 **ENERGY RESEARCH AND INNOVATION;**

4 **(5) PURSUE GRANTS, OTHER FUNDS, AND IN-KIND CONTRIBUTIONS**
5 **FOR CLEAN ENERGY RESEARCH AND INNOVATION;**

6 **(6) PROVIDE SEED GRANT FUNDING TO ACADEMIC**
7 **INSTITUTION-BASED ENTREPRENEURS OR ENTITIES, IN ORDER TO PROMOTE THE**
8 **COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES DEVELOPED WHOLLY OR**
9 **PARTLY BY AN ACADEMIC INSTITUTION, BUT NOT DUPLICATE EXISTING SEED**
10 **GRANTS MADE THROUGH THE MARYLAND TECHNOLOGY DEVELOPMENT**
11 **CORPORATION;**

12 **(7) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE**
13 **INSTITUTE TO JOINTLY MANAGE, OPERATE, AND MAINTAIN FACILITIES FOR A CLEAN**
14 **ENERGY INCUBATOR AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK;**

15 **(8) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE**
16 **INSTITUTE TO EXPAND MARYLAND INDUSTRIAL PARTNERSHIP AWARDS TO**
17 **PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY TECHNOLOGIES**
18 **DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;**

19 **(9) WORK WITH THE MARYLAND TECHNOLOGY ENTERPRISE**
20 **INSTITUTE AND THE UNIVERSITY OF MARYLAND OFFICE OF TECHNOLOGY**
21 **COMMERCIALIZATION TO:**

22 **(I) IDENTIFY ENERGY TECHNOLOGIES AT ACADEMIC**
23 **INSTITUTIONS THAT MAY BE VIABLE FOR COMMERCIALIZATION; AND**

24 **(II) PROVIDE GRANT FUNDING AND INVESTMENT FINANCING TO**
25 **COVER PATENT, FACILITIES, AND OTHER COSTS NOT ALLOWED UNDER FEDERAL OR**
26 **STATE RESEARCH GRANTS TO AN ACADEMIC INSTITUTION-BASED ENTREPRENEUR**
27 **OR ENTITY, IN ORDER TO PROMOTE THE COMMERCIALIZATION OF CLEAN ENERGY**
28 **TECHNOLOGIES DEVELOPED WHOLLY OR PARTLY BY AN ACADEMIC INSTITUTION;**

29 **(10) COORDINATE INCUBATION AND POTENTIAL FINANCING OF**
30 **ACADEMIC INSTITUTION-BASED ENTREPRENEURS OR ENTITIES WITH RESOURCES**
31 **PROVIDED BY THE CENTER;**

32 **(11) WORK CLOSELY WITH STATE UNITS, INDUSTRIAL PARTNERS,**
33 **NONGOVERNMENTAL ORGANIZATIONS, AND FEDERAL AGENCIES AND**
34 **LABORATORIES TO ENSURE EFFECTIVE IMPLEMENTATION AND EXECUTION OF THE**

1 STATE'S ENERGY MISSION AND VISION, IN COLLABORATION WITH THE
2 ADMINISTRATION;

3 (12) UNDERGO PERIODIC REVIEWS EVERY 5 YEARS CONSISTENT WITH
4 UNIVERSITY SYSTEM OF MARYLAND POLICIES; AND

5 (13) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THE
6 POWERS GRANTED BY THIS PART.

7 10-835.

8 (A) (1) THERE IS A MARYLAND ENERGY INNOVATION FUND IN THE
9 UNIVERSITY SYSTEM OF MARYLAND.

10 (2) THE FUND SHALL BE USED BY THE INSTITUTE AND THE CENTER.

11 (B) (1) THE INSTITUTE:

12 (I) MAY USE THE FUND TO:

13 1. CARRY OUT THE PURPOSES OF THIS SUBTITLE,
14 INCLUDING THE PURPOSES LISTED IN § 10-834 OF THIS SUBTITLE;

15 2. PURCHASE ADVISORY SERVICES AND TECHNICAL
16 ASSISTANCE TO BETTER SUPPORT ECONOMIC DEVELOPMENT; AND

17 3. PAY THE ADMINISTRATIVE, LEGAL, AND ACTUARIAL
18 EXPENSES OF THE INSTITUTE; AND

19 (II) SHALL USE THE FUND FOR THE ADMINISTRATIVE AND
20 OPERATING COSTS OF THE CENTER.

21 (2) THE CENTER MAY USE THE FUND TO:

22 (I) MAKE A GRANT OR A LOAN UNDER THIS SUBTITLE, AT THE
23 RATE OF INTEREST THE CENTER SETS;

24 (II) PROVIDE EQUITY INVESTMENT FINANCING FOR A BUSINESS
25 ENTERPRISE UNDER THIS SUBTITLE; AND

26 (III) GUARANTEE A LOAN, AN EQUITY, AN INVESTMENT, OR ANY
27 OTHER PRIVATE FINANCING TO EXPAND THE CAPITAL RESOURCES OF A BUSINESS
28 ENTERPRISE UNDER THIS SUBTITLE.

29 (C) THE INSTITUTE SHALL MANAGE AND SUPERVISE THE FUND.

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

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

6 (E) THE FUND CONSISTS OF:

7 (1) MONEY APPROPRIATED BY THE STATE TO THE FUND;

8 (2) MONEY ~~MADE AVAILABLE~~ CONTRIBUTED TO THE FUND THROUGH
9 FEDERAL PROGRAMS OR PRIVATE ~~CONTRIBUTIONS~~ ENTITIES;

10 (3) REPAYMENT OF PRINCIPAL OF A LOAN MADE FROM THE FUND;

11 (4) PAYMENT OF INTEREST ON A LOAN MADE FROM THE FUND;

12 (5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL BY
13 THE CENTER OF COLLATERAL RELATED TO FINANCING THAT THE CENTER
14 PROVIDES ~~UNDER THIS PART~~ FROM THE FUND;

15 (6) PREMIUMS, FEES, ROYALTIES, INTEREST, REPAYMENTS OF
16 PRINCIPAL, AND RETURNS ON INVESTMENTS PAID TO THE CENTER BY OR ON
17 BEHALF OF:

18 (I) A BUSINESS ENTERPRISE IN WHICH THE CENTER HAS MADE
19 AN INVESTMENT ~~UNDER THIS PART~~ FROM THE FUND; OR

20 (II) AN INVESTOR PROVIDING AN INVESTMENT GUARANTEED BY
21 THE CENTER ~~UNDER THIS PART~~ FROM THE FUND;

22 (7) RECOVERY OF AN INVESTMENT MADE BY THE CENTER IN A
23 BUSINESS ENTERPRISE ~~UNDER THIS SUBTITLE~~ FROM THE FUND, INCLUDING AN
24 ARRANGEMENT UNDER WHICH THE CENTER'S INVESTMENT IN THE BUSINESS
25 ENTERPRISE IS RECOVERED THROUGH:

26 (I) A REQUIREMENT THAT THE FUND RECEIVE A PROPORTION
27 OF CASH FLOW, COMMISSION, ROYALTY, OR PAYMENT ON A PATENT; OR

28 (II) THE REPURCHASE FROM THE CENTER OF ANY EVIDENCE OF
29 INDEBTEDNESS OR OTHER FINANCIAL PARTICIPATION MADE FROM THE FUND,
30 INCLUDING A NOTE, STOCK, BOND, OR DEBENTURE;

1 (8) REPAYMENT OF A CONDITIONAL GRANT EXTENDED BY THE
2 CENTER FROM THE FUND; AND

3 (9) ANY OTHER MONEY MADE AVAILABLE TO THE INSTITUTE FOR THE
4 FUND.

5 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY IN THE SAME
6 MANNER AS OTHER STATE MONEY MAY BE INVESTED.

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

9 (G) MONEY EXPENDED FROM THE FUND UNDER THIS SUBTITLE IS
10 SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT
11 OTHERWISE WOULD BE APPROPRIATED FOR THE CENTER, THE INSTITUTE, OR ANY
12 PART OF THE UNIVERSITY SYSTEM OF MARYLAND.

13 **10-836.**

14 THE INSTITUTE IS EXEMPT FROM STATE AND LOCAL TAXES.

15 **10-837.**

16 THE BOOKS AND RECORDS OF THE INSTITUTE ARE SUBJECT TO AUDIT:

17 (1) AT ANY TIME BY THE STATE; AND

18 (2) EACH YEAR BY AN INDEPENDENT AUDITOR THAT THE OFFICE OF
19 LEGISLATIVE AUDITS APPROVES.

20 **10-838.**

21 THE INSTITUTE AND THE CENTER ARE INDEPENDENT ENTITIES THAT ARE
22 NOT LIABLE OR RESPONSIBLE FOR EACH OTHER'S DEBTS, LIABILITIES, BONDS, OR
23 OBLIGATIONS.

24 **10-839.**

25 (A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE INSTITUTE SHALL REPORT
26 TO THE GOVERNOR, THE ADMINISTRATION, AND, IN ACCORDANCE WITH § 2-1246
27 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

1 **(B) THE REPORT SHALL INCLUDE A COMPLETE OPERATING AND FINANCIAL**
 2 **STATEMENT COVERING THE INSTITUTE’S OPERATIONS AND A SUMMARY OF THE**
 3 **INSTITUTE’S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.**

4 **Article – State Finance and Procurement**

5 6–226.

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

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

14 94. the Community Program Fund; [and]

15 95. the Maryland Corps Program Fund; AND

16 **96. THE MARYLAND ENERGY INNOVATION FUND.**

17 SECTION 3. AND BE IT FURTHER ENACTED, That for fiscal years 2018, 2019,
 18 2020, 2021, and 2022, in each year, \$1,500,000 shall be transferred from the Strategic
 19 Energy Investment Fund established under § 9–20B–05 of the State Government Article
 20 to the Maryland Energy Innovation Fund established under § 10–835 of the Economic
 21 Development Article, as enacted by Section 2 of this Act.

22 SECTION 4. AND BE IT FURTHER ENACTED, That the ~~terms of the initial~~
 23 ~~members of the Advisory Board of the Maryland Energy Innovation Institute shall expire~~
 24 ~~as follows:~~

25 ~~(1) two members in 2019;~~

26 ~~(2) two members in 2020; and~~

27 ~~(3) three members in 2021~~ Maryland Clean Energy Center shall:

28 (1) establish a work plan to become self-sustaining within 5 years after the
 29 effective date of this Act using funding provided under this Act and other funding that the
 30 Center may obtain, and projected revenues from project financing activities of the Center
 31 under Title 10, Subtitle 8 of the Economic Development Article; and

1 (2) submit a report, which may be part of its annual report, on or before
2 December 1, 2019, to the Governor and, in accordance with § 2-1246 of the State
3 Government Article, the General Assembly on the Center's:

4 (i) progress since enactment of this Act to become self-sustaining
5 with its current activities and funding and revenue levels; and

6 (ii) recommendations for changes, including additional necessary
7 funding, to continue on the trajectory path to reach the goal to become self-sustaining
8 within 5 years.

9 SECTION 5. AND BE IT FURTHER ENACTED, That:

10 (1) the Maryland Energy Innovation Institute, established by Section 2 of
11 this Act, shall study and evaluate:

12 (i) the availability and efficiency of the use of funds for the
13 development and deployment of clean energy technology in the State and the
14 commercialization of that technology, including funds from the Strategic Energy
15 Investment Fund, and other practical forms of financing;

16 (ii) the forecast need, if any, for additional funding or financing
17 options for these purposes; and

18 (iii) appropriate sources and levels of funding and financing options
19 for these purposes; and

20 (2) on or before December 1, 2019, the Institute shall submit a report of its
21 findings and recommendations under this section to the Governor, the Maryland Energy
22 Administration, and, in accordance with § 2-1246 of the State Government Article, the
23 General Assembly.

24 SECTION 6. AND BE IT FURTHER ENACTED, That the existing outstanding loan
25 obligations to the Maryland Energy Administration by the Maryland Clean Energy Center
26 as of the effective date of this Act shall be converted to a grant from the Maryland Energy
27 Administration to the Maryland Clean Energy Center.

28 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That a presently existing
29 obligation or contract right may not be impaired in any way by this Act.

30 SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2017.