

SENATE BILL 465

Q7, C7

0lr2540
CF HB 135

By: Senators Guzzone, Beidle, Carter, Elfreth, Griffith, Hayes, Pinsky, Washington, West, Young, and Zucker ~~Zucker~~, Miller, Feldman, King, Klausmeier, Peters, Rosapepe, Edwards, Serafini, Salling, and Eckardt

Introduced and read first time: January 28, 2020

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2020

CHAPTER _____

1 AN ACT concerning

2 ~~Admissions and Amusement Tax – Electronic Bingo and Tip Jars – Distribution~~
3 ~~to Maryland State Arts Council~~
4 Maryland E–Nnovation Initiative Program and Admissions and Amusement Tax
5 Distributions – Extensions and Alterations

6 FOR the purpose of extending and altering the Maryland E–Nnovation Initiative Program;
7 requiring the Governor to include in the annual budget bill certain appropriations to
8 the Maryland E–Nnovation Initiative Fund for certain fiscal years; altering certain
9 requirements for certain individuals in certain positions funded by certain
10 endowment proceeds; altering, beginning in a certain fiscal year, the distribution of
11 revenue from the State admissions and amusement tax on electronic bingo and
12 electronic tip jars; making a conforming change; and generally relating to the
13 Maryland E–Nnovation Initiative Program and the distribution of revenue from the
14 State admissions and amusement tax on electronic bingo and electronic tip jars.

15 BY repealing and reenacting, without amendments,

16 Article – Economic Development

17 Section 6–604(a), (d), and (f), 6–612(a), and 6–618(b), (d), and (e)

18 Annotated Code of Maryland

19 (2018 Replacement Volume and 2019 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Economic Development

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 Section 6–604(e) and 6–614
 2 Annotated Code of Maryland
 3 (2018 Replacement Volume and 2019 Supplement)

4 BY repealing and reenacting, with amendments,
 5 Article – Tax – General
 6 Section 2–202(a)
 7 Annotated Code of Maryland
 8 (2016 Replacement Volume and 2019 Supplement)

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

11 **Article – Economic Development**

12 6–604.

13 (a) There is a Maryland E–Nnovation Initiative Fund in the Department.

14 (d) The Fund consists of:

15 (1) revenue distributed to the Fund under § 2–202(a)(1) of the
 16 Tax – General Article;

17 (2) money appropriated in the State budget to the Fund; and

18 (3) any other money from any other source accepted for the benefit of the
 19 Fund.

20 (e) For each of fiscal years 2016 through [2021.] 2026, the Governor shall include
 21 in the budget bill an appropriation to the Fund in an amount that when combined with the
 22 amount estimated to be distributed to the Fund under subsection (d)(1) of this section
 23 equals at least [\$8,500,000] \$9,000,000.

24 (f) The Department may use the Fund to:

25 (1) finance research endowments at nonprofit institutions of higher
 26 education in scientific and technical fields of study; and

27 (2) pay the related administrative, legal, and actuarial expenses of the
 28 Department.

29 6–612.

30 (a) The governing body of each nonprofit institution of higher education may
 31 create and administer one or more research endowments to receive funding from the Fund.

1 6-614.

2 (a) Endowment proceeds shall be expended by a nonprofit institution of higher
3 education to further basic and applied research in scientific and technical fields of study as
4 designated by the Authority that offer promising and significant economic impacts and the
5 opportunity to develop clusters of technological innovation in the State, including:

6 (1) physical sciences;

7 (2) life and neuro sciences;

8 (3) engineering;

9 (4) mathematical and computational sciences;

10 (5) regulatory science;

11 (6) autonomous systems;

12 (7) aeronautical and space science;

13 (8) environmental sciences;

14 (9) behavioral and language science;

15 (10) health sciences;

16 (11) agriculture; or

17 (12) cybersecurity.

18 (b) Endowment proceeds may be expended by a nonprofit institution of higher
19 education for:

20 (1) the payment of the base salaries of newly endowed department chairs,
21 new professorship positions, new research scientists, or new research staff positions,
22 including research technicians and support personnel, and to fund affiliated graduate or
23 undergraduate student research fellowships, if the positions or fellowships are engaged in
24 the areas of research identified in subsection (a) of this section; or

25 (2) the purchase of basic infrastructure, including laboratory and scientific
26 equipment or other essential equipment and materials, related to an area of research
27 identified in subsection (a) of this section.

28 (c) An individual in a position that is funded by endowment proceeds under
29 subsection (b)(1) of this section shall:

1 (ii) [1. for fiscal year 2018, the revenue attributable to a tax rate
2 of 5% as follows:

3 A. to the Special Fund for Preservation of Cultural Arts in
4 Maryland, as provided in § 4–801 of the Economic Development Article, up to an aggregate
5 amount of \$1,000,000 in each fiscal year; and

6 B. the remainder to the Maryland State Arts Council, as
7 provided in § 4–512 of the Economic Development Article;

8 2. for fiscal years 2019 through 2021] **FOR FISCAL YEAR**
9 **2021 AND EACH FISCAL YEAR THEREAFTER**, the revenue attributable to a tax rate of 5%
10 as follows:

11 [A.] 1. to the Maryland State Arts Council, as provided in
12 § 4–512 of the Economic Development Article, \$1,000,000 in each fiscal year; and

13 [B.] 2. **TO THE TOWN OF CHESAPEAKE BEACH,**
14 **\$300,000 IN EACH FISCAL YEAR; AND**

15 3. the remainder to the Special Fund for Preservation of
16 Cultural Arts in Maryland, as provided in § 4–801 of the Economic Development Article;
17 and

18 [3. in fiscal year 2022 and in each fiscal year thereafter, the
19 revenue attributable to a tax rate of 5% to the Special Fund for Preservation of Cultural
20 Arts in Maryland, as provided in § 4–801 of the Economic Development Article; and]

21 (2) the remaining admissions and amusement tax revenue:

22 (i) to the Maryland Stadium Authority, county, or municipal
23 corporation that is the source of the revenue; or

24 (ii) if the Maryland Stadium Authority and also a county or
25 municipal corporation tax a reduced charge or free admission:

26 1. 80% of that revenue to the Authority; and

27 2. 20% to the county or municipal corporation.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2020.