

HOUSE BILL 892

C8

1lr2767
CF SB 709

By: **Delegate Buckel**

Introduced and read first time: February 2, 2021

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2021

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Maryland Technology Infrastructure Pilot Program –**
3 **Establishment**

4 FOR the purpose of establishing the Maryland Technology Infrastructure Pilot Program in
5 the Maryland Technology Development Corporation; establishing the purposes of the
6 Program; establishing the Maryland Technology Infrastructure Authority; providing
7 for the appointment of members, the selection of officers, and the purposes and
8 procedures of the Authority; establishing the Maryland Technology Infrastructure
9 Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the
10 Executive Director of the Corporation or the Executive Director's designee to
11 administer the Fund; requiring the State Treasurer to hold the Fund and the
12 Comptroller to account for the Fund; specifying the contents of the Fund; providing
13 for the investment of money in and expenditures from the Fund; requiring interest
14 earnings of the Fund to be credited to the Fund; exempting the Fund from a certain
15 provision of law requiring interest earnings on State money to accrue to the General
16 Fund of the State; providing that the Fund is subject to a certain audit; requiring the
17 Program to provide certain financial assistance to certain entities for certain
18 purposes, subject to certain conditions; requiring certain projects to be given priority
19 for certain awards of financial assistance; requiring the Authority to adopt certain
20 regulations; requiring the Corporation and the Authority to report to the Governor
21 and the General Assembly on or before a certain date; defining certain terms; and
22 generally relating to the Maryland Technology Infrastructure Pilot Program and the
23 Maryland Technology Development Corporation.

24 BY adding to

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 Article – Economic Development
2 Section 10–4C–01 through 10–4C–10 to be under the new subtitle “Subtitle 4C.
3 Maryland Technology Infrastructure Pilot Program”
4 Annotated Code of Maryland
5 (2018 Replacement Volume and 2020 Supplement)

6 BY repealing and reenacting, without amendments,
7 Article – State Finance and Procurement
8 Section 6–226(a)(2)(i)
9 Annotated Code of Maryland
10 (2015 Replacement Volume and 2020 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – State Finance and Procurement
13 Section 6–226(a)(2)(ii)122. and 123.
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2020 Supplement)

16 BY adding to
17 Article – State Finance and Procurement
18 Section 6–226(a)(2)(ii)124.
19 Annotated Code of Maryland
20 (2015 Replacement Volume and 2020 Supplement)

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

23 **Article – Economic Development**

24 **SUBTITLE 4C. MARYLAND TECHNOLOGY INFRASTRUCTURE PILOT PROGRAM.**

25 **10–4C–01.**

26 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28 (B) “AUTHORITY” MEANS THE MARYLAND TECHNOLOGY
29 INFRASTRUCTURE AUTHORITY.

30 (C) “CORPORATION” MEANS THE MARYLAND TECHNOLOGY
31 DEVELOPMENT CORPORATION.

32 (D) “FINANCIAL ASSISTANCE” MEANS A GRANT, A LOAN, A CREDIT
33 ENHANCEMENT, AN INVESTMENT, OR SIMILAR ASSISTANCE.

34 (E) “FUND” MEANS THE MARYLAND TECHNOLOGY INFRASTRUCTURE

1 FUND.

2 (F) "PROGRAM" MEANS THE MARYLAND TECHNOLOGY INFRASTRUCTURE
3 PILOT PROGRAM.

4 (G) "PROJECT" MEANS A LARGE-SCALE, TRANSFORMATIVE
5 INFRASTRUCTURE INITIATIVE INTENDED TO PROMOTE THE DEVELOPMENT AND
6 GROWTH OF INNOVATION-BASED BUSINESS IN WESTERN MARYLAND.

7 (H) "WESTERN ~~MARYLAND~~ MARYLAND" MEANS ALLEGANY, GARRETT, AND
8 WASHINGTON COUNTIES.

9 10-4C-02.

10 (A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE PILOT
11 PROGRAM IN THE CORPORATION.

12 (B) THE PURPOSE OF THE PROGRAM IS TO:

13 (1) ESTABLISH A PROGRAM IN WESTERN MARYLAND TO SUPPORT
14 THE INNOVATION ECONOMY BY INCENTIVIZING THE DEVELOPMENT OF ADVANCED
15 INDUSTRY INFRASTRUCTURE AND RESOURCES THAT BUILD ON THE EXISTING
16 STRENGTHS OF THE REGION'S ECONOMY;

17 (2) SUPPORT THE GROWTH OF AND INCENTIVIZE THE ATTRACTION
18 AND RETENTION OF EARLY-STAGE INNOVATION-BASED BUSINESS IN WESTERN
19 MARYLAND THROUGH THE CREATION OF SUPPORTING INFRASTRUCTURE AND
20 RESOURCES;

21 (3) MANAGE A MARYLAND TECHNOLOGY INFRASTRUCTURE FUND
22 FOR FINANCIAL ASSISTANCE IN PROJECTS TO SUPPORT THE PROGRAM; AND

23 (4) EVALUATE THE EFFICACY OF THE PROGRAM FOR FUTURE
24 EXPANSION TO OTHER PARTS OF THE STATE.

25 10-4C-03.

26 (A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE AUTHORITY
27 IN THE CORPORATION.

28 (B) THE CORPORATION SHALL PROVIDE STAFF TO THE AUTHORITY AND
29 MAY EMPLOY OR CONTRACT WITH EXPERTS TO ASSIST WITH THE ADMINISTRATION
30 AND MANAGEMENT OF THE PROGRAM.

1 10-4C-04.

2 (A) THE AUTHORITY CONSISTS OF THE FOLLOWING MEMBERS:

3 (1) ~~TWO~~ THREE MEMBERS APPOINTED BY THE GOVERNOR ~~WHO~~:

4 (I) TWO OF WHOM ARE ENTREPRENEURS OR BUSINESS
5 OWNERS IN WESTERN MARYLAND; AND

6 (II) ONE OF WHOM HAS EXPERIENCE IN VENTURE CAPITAL OR
7 ECONOMIC DEVELOPMENT;

8 (2) THE PRESIDENT OF FROSTBURG STATE UNIVERSITY, OR THE
9 PRESIDENT'S DESIGNEE;

10 (3) THE PRESIDENT OF A COMMUNITY COLLEGE LOCATED IN
11 WESTERN MARYLAND, OR THE PRESIDENT'S DESIGNEE, APPOINTED BY THE
12 MARYLAND ASSOCIATION OF COMMUNITY COLLEGES; AND

13 (4) THE EXECUTIVE DIRECTOR OF THE CORPORATION, OR THE
14 EXECUTIVE DIRECTOR'S DESIGNEE.

15 (B) EACH MEMBER SHALL BE A RESIDENT OF THE STATE.

16 10-4C-05.

17 (A) (1) THREE MEMBERS OF THE AUTHORITY ARE A QUORUM.

18 (2) AN ACT OF THE AUTHORITY MUST BE APPROVED BY A MAJORITY
19 VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM IS PRESENT.

20 (B) A MEMBER OF THE AUTHORITY:

21 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
22 AUTHORITY; BUT

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

25 (C) A MEMBER OF THE AUTHORITY SHALL FILE AN ANNUAL PUBLIC
26 DISCLOSURE OF FINANCIAL INTERESTS AS REQUIRED UNDER THE MARYLAND
27 PUBLIC ETHICS LAW.

28 (D) EACH MEMBER OF THE AUTHORITY SHALL DISCLOSE TO THE STATE
29 ETHICS COMMISSION WHETHER THE MEMBER IS EMPLOYED BY OR HAS A FINANCIAL

1 INTEREST IN AN ENTITY THAT MAY APPLY FOR FUNDING FROM THE FUND.

2 **10-4C-06.**

3 THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE
4 CORPORATION IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM
5 UNDER THIS SUBTITLE.

6 **10-4C-07.**

7 (A) THERE IS A MARYLAND TECHNOLOGY INFRASTRUCTURE FUND IN THE
8 CORPORATION.

9 (B) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
10 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND
11 PROCUREMENT ARTICLE.

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

14 (C) THE FUND CONSISTS OF:

15 (1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

16 (2) ANY INTEREST EARNINGS OF THE FUND; AND

17 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
18 THE BENEFIT OF THE PROGRAM.

19 (D) THE EXECUTIVE DIRECTOR OF THE CORPORATION, OR THE EXECUTIVE
20 DIRECTOR'S DESIGNEE, SHALL ADMINISTER THE FUND IN ACCORDANCE WITH THIS
21 SUBTITLE AND ANY OTHER APPLICABLE LAW.

22 (E) THE FUND SHALL BE USED TO COVER THE COSTS OF THE PROGRAM,
23 INCLUDING:

24 (1) ANY ADMINISTRATIVE COSTS; AND

25 (2) ANY FINANCIAL ASSISTANCE THAT IS AWARDED TO ELIGIBLE
26 RECIPIENTS.

27 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
28 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

29 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED

1 TO THE FUND.

2 (G) ~~THE OFFICE OF LEGISLATIVE AUDITS SHALL AUDIT THE~~ ACCOUNT AND
3 TRANSACTIONS OF THE FUND ARE SUBJECT TO AUDIT BY THE OFFICE OF
4 LEGISLATIVE AUDITS AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT
5 ARTICLE.

6 10-4C-08.

7 (A) WITHIN THE PROGRAM, SUBJECT TO AVAILABLE FUNDING, AND ON THE
8 RECOMMENDATION OF THE AUTHORITY, THE CORPORATION SHALL AWARD
9 FINANCIAL ASSISTANCE FROM THE FUND TO PUBLIC OR PRIVATE ENTITIES IN THE
10 STATE, INCLUDING INSTITUTIONS OF HIGHER EDUCATION, TO:

11 (1) SUPPORT LARGE-SCALE INFRASTRUCTURE OR RESOURCE
12 PROJECTS IN WESTERN MARYLAND TO ATTRACT TALENT, FOSTER
13 COLLABORATION, AND ENABLE CONCENTRATION AND GROWTH OF ADVANCED
14 INDUSTRIES;

15 (2) FOSTER PUBLIC-PRIVATE COLLABORATIONS TO ENCOURAGE
16 DEVELOPMENT OF SHARED INFRASTRUCTURE AND RESOURCES; AND

17 (3) SUPPORT TALENT DEVELOPMENT INITIATIVES THAT ADDRESS
18 CRITICAL SKILL SHORTAGE AREAS IN INDUSTRIES CRITICAL TO GROWTH IN
19 WESTERN MARYLAND.

20 (B) THE FUND MAY NOT CONTRIBUTE MORE THAN:

21 (1) ONE-THIRD OF THE TOTAL COST OF THE PROJECT; OR

22 (2) \$500,000 PER PROJECT.

23 10-4C-09.

24 (A) THE AUTHORITY SHALL ADOPT REGULATIONS TO ESTABLISH:

25 (1) A COMPETITIVE APPLICATION PROCESS; AND

26 (2) CRITERIA AND PROCEDURES FOR AWARDING FINANCIAL
27 ASSISTANCE FROM THE FUND TO ELIGIBLE RECIPIENTS, INCLUDING CRITERIA THAT
28 EXAMINE:

29 (I) THE PROJECT'S POTENTIAL IMPACT ON THE LOCAL
30 ECONOMY;

1 (II) THE PROJECT'S LIKELIHOOD TO FOSTER JOB CREATION;
2 AND

3 (III) CAPITAL INVESTMENT IN THE PROJECT.

4 (B) (1) IN ACCORDANCE WITH THIS SUBTITLE, ALL PRIVATE SECTOR
5 ENTITIES IN THE STATE AND ALL INSTITUTIONS OF HIGHER EDUCATION IN THE
6 STATE MAY BE ELIGIBLE RECIPIENTS OF FINANCIAL ASSISTANCE.

7 (2) PRIORITY FOR THE AWARD OF ANY FINANCIAL ASSISTANCE SHALL
8 BE GIVEN TO THOSE PROJECTS MOST LIKELY TO:

9 (I) ATTRACT SIGNIFICANT INVESTMENT IN THE STATE;

10 (II) RESULT IN SIGNIFICANT COMPANY FORMATION,
11 EXPANSION, OR JOB CREATION; OR

12 (III) RESULT IN MEANINGFUL ECONOMIC AND EMPLOYMENT
13 DEVELOPMENT IN WESTERN MARYLAND.

14 10-4C-10.

15 ON OR BEFORE JULY 1, 2025, THE CORPORATION SHALL REPORT TO THE
16 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
17 ARTICLE, ON THE IMPLEMENTATION OF THE PILOT PROGRAM AND SHALL MAKE
18 RECOMMENDATIONS ON THE EXPANSION OF THE PILOT PROGRAM TO A STATEWIDE
19 PROGRAM.

20 Article – State Finance and Procurement

21 6-226.

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

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

30 122. the Racing and Community Development Financing Fund;

31 [and]

1 123. the Racing and Community Development Facilities Fund;
2 **AND**

3 **124. THE MARYLAND TECHNOLOGY INFRASTRUCTURE**
4 **FUND.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2021. It shall remain effective for a period of 5 years and, at the end of June 30, 2026,
7 this Act, with no further action required by the General Assembly, shall be abrogated and
8 of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.