

HOUSE BILL 1211

C8

1lr2246

By: **Delegate D. Barnes**

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 1, 2021

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Maryland Technology Development Corporation –**
3 **Pre–Seed Builder Fund**

4 FOR the purpose of establishing the Pre–Seed Builder Fund in the Maryland Technology
5 Development Corporation as a special, nonlapsing fund; specifying the purpose of
6 the Fund; requiring the Corporation to administer the Fund; requiring the State
7 Treasurer to hold the Fund and the Comptroller to account for the Fund; requiring
8 the Governor to include in the annual budget bill a certain appropriation to the Fund;
9 providing for the investment of money in the Fund; exempting the Fund from a
10 certain provision of law requiring interest on State money in special funds to accrue
11 to the General Fund of the State; providing that the Fund is the successor to a certain
12 fund; defining a certain term; and generally relating to the Maryland Technology
13 Development Corporation and the Pre–Seed Builder Fund.

14 BY adding to

15 Article – Economic Development

16 Section 10–473 to be under the new part “Part VIII. Pre–Seed Builder Fund”

17 Annotated Code of Maryland

18 (2018 Replacement Volume and 2020 Supplement)

19 BY repealing and reenacting, without amendments,

20 Article – State Finance and Procurement

21 Section 6–226(a)(2)(i)

22 Annotated Code of Maryland

23 (2015 Replacement Volume and 2020 Supplement)

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 BY repealing and reenacting, with amendments,
2 Article – State Finance and Procurement
3 Section 6–226(a)(2)(ii)122. and 123.
4 Annotated Code of Maryland
5 (2015 Replacement Volume and 2020 Supplement)

6 BY adding to
7 Article – State Finance and Procurement
8 Section 6–226(a)(2)(ii)124.
9 Annotated Code of Maryland
10 (2015 Replacement Volume and 2020 Supplement)

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

13 **Article – Economic Development**

14 **10–471. RESERVED.**

15 **10–472. RESERVED.**

16 **PART VIII. PRE–SEED BUILDER FUND.**

17 **10–473.**

18 **(A) IN THIS SECTION, “FUND” MEANS THE PRE–SEED BUILDER FUND.**

19 **(B) THERE IS A PRE–SEED BUILDER FUND IN THE CORPORATION.**

20 **(C) THE PURPOSE OF THE FUND IS TO SUPPORT THE DEVELOPMENT OF**
21 **START–UP COMPANIES RUN BY ENTREPRENEURS FROM SOCIALLY OR**
22 **ECONOMICALLY DISADVANTAGED BACKGROUNDS THAT HINDER ACCESS TO**
23 **TRADITIONAL FORMS OF CAPITAL AND EXECUTIVE NETWORKS AT THE PRE–SEED**
24 **STAGE.**

25 **(D) THE CORPORATION SHALL MANAGE AND SUPERVISE THE FUND.**

26 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING REVOLVING FUND THAT IS**
27 **NOT SUBJECT TO REVERSION UNDER § 7–302 OF THE STATE FINANCE AND**
28 **PROCUREMENT ARTICLE.**

29 **(2) THE TREASURER SHALL HOLD THE FUND, AND THE**
30 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

1 **(F) (1) FOR FISCAL YEAR 2023, THE GOVERNOR SHALL INCLUDE IN THE**
2 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 TO THE FUND.**

3 **(2) FOR FISCAL YEAR 2024, THE GOVERNOR SHALL INCLUDE IN THE**
4 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$6,200,000 TO THE FUND.**

5 **(3) FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER,**
6 **THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION**
7 **OF \$7,500,000 TO THE FUND.**

8 **(G) (1) THE TREASURER SHALL INVEST MONEY IN THE FUND IN THE**
9 **SAME MANNER AS OTHER STATE MONEY.**

10 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**
11 **TO THE FUND.**

12 **Article – State Finance and Procurement**

13 6–226.

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

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

22 122. the Racing and Community Development Financing Fund;

23 [and]

24 123. the Racing and Community Development Facilities Fund;

25 **AND**

26 **124. THE PRE–SEED BUILDER FUND.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Pre–Seed Builder Fund
28 established under § 10–473 of the Economic Development Article, as enacted by Section 1
29 of this Act, is the successor to the Pre–Seed Builder Fund established under Title 14,
30 Subtitle 4, Chapter 3 of the Code of Maryland Regulations.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2021.