

SENATE BILL 639

C8

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By: ~~Senator Augustine~~ Senators Augustine, Kelley, Feldman, Beidle, Benson, Hayes, Hershey, Jennings, Klausmeier, Kramer, and Ready

Introduced and read first time: January 29, 2021

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2021

CHAPTER _____

1 AN ACT concerning

2 **Maryland Technology Development Corporation – Inclusion Fund –**
3 **Establishment**

4 FOR the purpose of establishing the Inclusion 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; specifying
8 the contents of the Fund; specifying the purpose for which the Fund may be used;
9 providing for the investment of money in and expenditures from the Fund; requiring
10 interest earnings of the Fund to be credited to the Fund; exempting the Fund from a
11 certain provision of law requiring interest earnings on State money to accrue to the
12 General Fund of the State; defining a certain term; and generally relating to the
13 establishment of the Inclusion Fund within the Maryland Technology Development
14 Corporation.

15 BY repealing and reenacting, without amendments,
16 Article – Economic Development
17 Section 10–401(a) and (c)
18 Annotated Code of Maryland
19 (2018 Replacement Volume and 2020 Supplement)

20 BY adding to
21 Article – Economic Development
22 Section 10–473 through 10–475 to be under the new part “Part VIII. Inclusion Fund”

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 Annotated Code of Maryland
2 (2018 Replacement Volume and 2020 Supplement)

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

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

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

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

20 **Article – Economic Development**

21 10–401.

22 (a) In this subtitle the following words have the meanings indicated.

23 (c) “Corporation” means the Maryland Technology Development Corporation.

24 **10–471. RESERVED.**

25 **10–472. RESERVED.**

26 **PART VIII. INCLUSION FUND.**

27 **10–473.**

28 **IN THIS PART, “FUND” MEANS THE INCLUSION FUND ESTABLISHED IN §**
29 **10–474 OF THIS SUBTITLE.**

30 **10–474.**

31 **(A) THERE IS AN INCLUSION FUND IN THE CORPORATION.**

1 (B) THE PURPOSE OF THE FUND IS TO PROVIDE CAPITAL ~~AND NONEQUITY~~
2 ~~INVESTMENTS TO~~ INVESTMENT IN TECHNOLOGY-BASED BUSINESSES THAT:

3 ~~(1) ARE OWNED AND MANAGED BY INDIVIDUALS WHO ARE~~
4 ~~ECONOMICALLY DISADVANTAGED;~~

5 ~~(2) (1) ARE PART OF THE PRE SEED BUILDER FUND BUT HAVE~~
6 ~~FALLEN BELOW 51% ECONOMICALLY DISADVANTAGED OWNERSHIP WOULD~~
7 QUALIFY FOR INVESTMENT UNDER THE BUILDER FUND, AS PROVIDED IN
8 REGULATIONS ADOPTED BY THE CORPORATION;

9 ~~(3) (2) HAVE ARE AT LEAST 30% BUT LESS THAN 51%~~
10 ~~ECONOMICALLY DISADVANTAGED OWNERSHIP~~ OWNED BY INDIVIDUALS WHO
11 DEMONSTRATE ECONOMIC DISADVANTAGE; AND

12 ~~(4) (3) ARE MINORITY OWNED~~ CONTROLLED AND MANAGED FOR
13 AT LEAST 1 YEAR AFTER THE TIME OF INVESTMENT BY AN INDIVIDUAL OR
14 INDIVIDUALS WHO DEMONSTRATE ECONOMIC DISADVANTAGE.

15 (C) THE CORPORATION SHALL ADMINISTER THE FUND.

16 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
17 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

20 (E) THE FUND CONSISTS OF:

21 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

22 (2) INTEREST EARNINGS OF THE FUND; AND

23 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
24 THE BENEFIT OF THE FUND.

25 (F) THE FUND MAY BE USED ONLY:

26 (1) FOR THE PURPOSES DESCRIBED IN SUBSECTION (B) OF THIS
27 SECTION; AND

28 (2) TO PAY THE COSTS NECESSARY TO ADMINISTER THE FUND.

1 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
2 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

3 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**
4 **TO THE FUND.**

5 **10-475.**

6 **THE CORPORATION SHALL INCLUDE AS PART OF ITS ANNUAL REPORT TO THE**
7 **GOVERNOR AND THE GENERAL ASSEMBLY UNDER § 10-415 OF THIS SUBTITLE A**
8 **REPORT ON THE IMPLEMENTATION OF THE FUND.**

9 **Article – State Finance and Procurement**

10 **6-226.**

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

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

19 122. the Racing and Community Development Financing Fund;
20 **[and]**

21 123. the Racing and Community Development Facilities Fund;
22 **AND**

23 **124. THE INCLUSION FUND.**

24 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
25 **October 1, 2021.**