

SENATE BILL 732

C8

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By: **Senator Patterson**

Introduced and read first time: February 5, 2021

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2021

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Maryland Innovation Initiative University**
3 **Partnership Pilot Program – Establishment**

4 FOR the purpose of establishing the Maryland Innovation Initiative University
5 Partnership Pilot Program within the Maryland Technology Development
6 Corporation; providing for the purpose of the Pilot Program; requiring the Maryland
7 Innovation Initiative within the Corporation to implement and administer the Pilot
8 Program; authorizing Bowie State University and ~~Salisbury~~ Frostburg State
9 University to participate in the Pilot Program; requiring Bowie State University and
10 ~~Salisbury~~ Frostburg State University to pay a certain annual contribution to
11 participate in the Pilot Program; establishing eligibility criteria for project proposals
12 to receive funding under the Pilot Program; requiring the Initiative to develop
13 certain criteria to review, evaluate, and rate certain project proposals; requiring the
14 Executive Director of the Initiative to distribute certain grants in a certain manner;
15 requiring the Governor to include a certain amount in the State budget for certain
16 fiscal years for the Pilot Program; requiring the Corporation to make a certain report
17 on or before a certain date; altering the purpose and contents of the Maryland
18 Innovation Initiative Fund; providing for the termination of this Act; defining certain
19 terms; and generally relating to the establishment of the Maryland Innovation
20 Initiative University Partnership Pilot Program.

21 BY repealing and reenacting, without amendments,
22 Article – Economic Development
23 Section 10–454(a), (b), and (d), 10–455(a), and 10–457(a)
24 Annotated Code of Maryland

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 (2018 Replacement Volume and 2020 Supplement)

2 BY repealing and reenacting, with amendments,
3 Article – Economic Development
4 Section 10–457(b) and (d)
5 Annotated Code of Maryland
6 (2018 Replacement Volume and 2020 Supplement)

7 BY adding to
8 Article – Economic Development
9 Section 10–461
10 Annotated Code of Maryland
11 (2018 Replacement Volume and 2020 Supplement)

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

14 **Article – Economic Development**

15 10–454.

16 (a) In this part the following words have the meanings indicated.

17 (b) “Commercialization” means the process of introducing a new product or
18 technology into the market.

19 (d) “Initiative” means the Maryland Innovation Initiative established under §
20 10–455 of this subtitle.

21 10–455.

22 (a) There is a Maryland Innovation Initiative.

23 10–457.

24 (a) There is a Maryland Innovation Initiative Fund.

25 (b) The purpose of the Fund is to provide funding for the purposes described in [§
26 10–456] §§ **10–456 AND 10–461** of this subtitle.

27 (d) The Fund consists of:

28 (1) appropriations as provided in the State budget;

29 (2) contributions by the qualifying universities under § 10–455 of this
30 subtitle **AND ELIGIBLE UNIVERSITIES UNDER § 10–461 OF THIS SUBTITLE;**

- 1 (3) grants or funds from federal laboratories located in Maryland;
- 2 (4) interest or other income earned on the investment of money in the
3 Fund; and
- 4 (5) any other money accepted for the benefit of the Initiative.

5 **10-461.**

6 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (2) "ELIGIBLE UNIVERSITY" MEANS BOWIE STATE UNIVERSITY AND
9 ~~SALISBURY~~ FROSTBURG STATE UNIVERSITY.

10 (3) "PILOT PROGRAM" MEANS THE MARYLAND INNOVATION
11 INITIATIVE UNIVERSITY PARTNERSHIP PILOT PROGRAM.

12 (B) (1) THERE IS A MARYLAND INNOVATION INITIATIVE UNIVERSITY
13 PARTNERSHIP PILOT PROGRAM.

14 (2) THE PURPOSE OF THE PILOT PROGRAM IS TO EXPAND
15 OPPORTUNITIES FOR TECHNOLOGY VALIDATION, ENTREPRENEURIAL
16 DEVELOPMENT, AND INDUSTRY ENGAGEMENT AT ELIGIBLE UNIVERSITIES.

17 (C) (1) THE INITIATIVE SHALL IMPLEMENT AND ADMINISTER THE PILOT
18 PROGRAM.

19 (2) THE INITIATIVE SHALL COLLABORATE WITH AN ELIGIBLE
20 UNIVERSITY TO IDENTIFY AND SUPPORT INDUSTRY PARTNERSHIPS AND
21 COMMERCIALIZATION OPPORTUNITIES.

22 (D) TO QUALIFY FOR PARTICIPATION IN THE PILOT PROGRAM, EACH
23 ELIGIBLE UNIVERSITY SHALL PAY AN ANNUAL CONTRIBUTION OF \$50,000.

24 (E) (1) ONLY AN ELIGIBLE UNIVERSITY MAY SUBMIT PROJECT
25 PROPOSALS FOR FUNDING UNDER THE PILOT PROGRAM.

26 (2) TO QUALIFY FOR A GRANT UNDER THE PILOT PROGRAM, A
27 PROJECT PROPOSAL MUST:

28 (I) SUPPORT THE CREATION OF A NEW TECHNOLOGY-BASED
29 BUSINESS IN MARYLAND;

1 **(II) ADVANCE TECHNOLOGY TOWARD COMMERCIALIZATION OF**
2 **A PRODUCT OR SERVICE;**

3 **(III) FOSTER ENTREPRENEURIAL DEVELOPMENT AT THE**
4 **ELIGIBLE UNIVERSITY;**

5 **(IV) CREATE AN OPPORTUNITY FOR MEANINGFUL ECONOMIC**
6 **IMPACT IN THE REGION AROUND THE ELIGIBLE UNIVERSITY; OR**

7 **(V) FOSTER COLLABORATION BETWEEN THE ELIGIBLE**
8 **UNIVERSITY AND AN INDUSTRY PARTNER, INCLUDING:**

9 **1. PRODUCT DEVELOPMENT WITH COMMERCIALIZATION**
10 **POTENTIAL; AND**

11 **2. MATCHING FUNDS PROVIDED BY THE INDUSTRY**
12 **PARTNER.**

13 **(F) (1) THE INITIATIVE SHALL DEVELOP CRITERIA TO REVIEW,**
14 **EVALUATE, AND RATE PROJECT PROPOSALS FOR FUNDING UNDER THE PILOT**
15 **PROGRAM.**

16 **(2) THE EXECUTIVE DIRECTOR SHALL DISTRIBUTE GRANTS TO**
17 **PROJECTS BASED ON THE CRITERIA DEVELOPED IN ACCORDANCE WITH PARAGRAPH**
18 **(1) OF THIS SUBSECTION.**

19 **(G) (1) FOR FISCAL YEARS 2023 AND 2024, THE GOVERNOR SHALL**
20 **INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$500,000 FOR THE**
21 **PILOT PROGRAM.**

22 **(2) THE FUNDING PROVIDED IN THIS SUBSECTION SHALL BE USED TO**
23 **SUPPLEMENT, NOT SUPPLANT, ANY FUNDS THAT WOULD OTHERWISE BE PROVIDED**
24 **TO THE INITIATIVE.**

25 **(H) IN ADDITION TO INFORMATION ON THE INITIATIVE INCLUDED IN THE**
26 **ANNUAL REPORT OF THE CORPORATION UNDER § 10-415 OF THIS SUBTITLE, ON OR**
27 **BEFORE JULY 1, 2024, THE CORPORATION SHALL REPORT TO THE GENERAL**
28 **ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE,**
29 **ON THE IMPLEMENTATION OF THE PILOT PROGRAM.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2021. It shall remain effective for a period of 3 years and, at the end of June 30, 2024,
32 this Act, with no further action required by the General Assembly, shall be abrogated and
33 of no further force and effect.