

HOUSE BILL 1215

F2, Q3

11r2192

By: **Delegate Rosenberg**

Introduced and read first time: February 8, 2021

Assigned to: Appropriations and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Internship Programs – Alteration, Creation, and Income Tax Credit**

3 FOR the purpose of authorizing certain uses of certain scholarship awards; increasing the
4 maximum annual reimbursement for stipends paid to each intern under the
5 Maryland Technology Internship Program; establishing the Maryland Internship
6 Opportunities Program; stating the purposes of the Program; requiring the
7 University of Maryland Baltimore County (UMBC) to administer the Program and
8 undertake certain activities to carry out the purposes of the Program; establishing
9 certain eligibility requirements for participation in the Program; requiring UMBC to
10 develop a process for tracking and assessing certain outcomes; requiring UMBC to
11 obtain feedback from Program participants at certain times; authorizing the use of
12 certain awards to reimburse certain businesses for up to a certain percentage of the
13 amount paid to an intern up to a certain amount; requiring UMBC to prepare a
14 certain annual report; requiring the Governor to include in the annual budget bill an
15 appropriation to be used for certain purposes; allowing certain employers a credit,
16 up to a certain amount, against the State income tax for certain eligible interns
17 subject to certain limitations; requiring a certain eligible employer to submit a
18 certain application to the Maryland Department of Labor at a certain time; requiring
19 the Department to approve certain applications on a first-come, first-served basis
20 and within a certain time period; limiting the amount of tax credit certificates that
21 may be issued in any taxable year to a certain amount; authorizing the carryforward
22 of the credit; requiring the Department to adopt certain regulations; defining certain
23 terms; providing for the application of this Act; and generally relating to internship
24 programs.

25 BY repealing and reenacting, with amendments,
26 Article – Education
27 Section 18–405(b) and (c), 18–501(b), 18–506(b)(2), and 18–3008(a)
28 Annotated Code of Maryland
29 (2018 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Education
3 Section 18–501(a), 18–506(a), and 18–3002
4 Annotated Code of Maryland
5 (2018 Replacement Volume and 2020 Supplement)

6 BY adding to
7 Article – Education
8 Section 18–3701 through 18–3710 to be under the new subtitle “Subtitle 37.
9 Maryland Internship Opportunities Program”
10 Annotated Code of Maryland
11 (2018 Replacement Volume and 2020 Supplement)

12 BY adding to
13 Article – Tax – General
14 Section 10–751
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2020 Supplement)

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

19 **Article – Education**

20 18–405.

21 (b) A senatorial scholarship may be used:

22 (1) If the curriculum is approved by the Commission, at a degree granting
23 institution of higher education, a hospital diploma school for training registered nurses, or
24 to attend a private postsecondary proprietary institution that is accredited by a national
25 accrediting association approved by the United States Department of Education as a
26 full-time student; [and]

27 (2) For educational expenses as defined by the Office, including:

28 (i) Tuition and mandatory fees; and

29 (ii) Room and board; AND

30 **(3) FOR LIVING EXPENSES AS DEFINED BY THE OFFICE TO SUPPORT**
31 **A STUDENT PARTICIPATING IN AN INTERNSHIP UNDER SUBTITLE 30 OR 37 OF THIS**
32 **TITLE, INCLUDING EXPENSES FOR:**

33 **(I) ON- OR OFF-CAMPUS HOUSING;**

1 **(II) FOOD;**

2 **(III) SUPPLIES RELATED TO THE INTERNSHIP; AND**

3 **(IV) TRANSPORTATION TO AND FROM THE INTERNSHIP.**

4 (c) **[If] EXCEPT AS PROVIDED IN SUBSECTION (B)(3) OF THIS SECTION, IF**
5 on-campus housing is available, a senatorial scholarship may not be used to pay for
6 off-campus housing.

7 18-501.

8 (a) There is a program of Delegate Scholarships in this State that are awarded
9 under this subtitle.

10 (b) A scholarship awarded under this subtitle may be used at:

11 (1) An eligible institution for a program of undergraduate, graduate, or
12 professional studies;

13 (2) An accredited undergraduate, graduate, or professional institution
14 outside the State, if the applicant:

15 (i) Will be studying in an academic area that is not available in this
16 State;

17 (ii) Is disabled and will be studying at an institution outside the
18 State that makes special provisions for disabled students that are not available to the
19 applicant at an institution in the State; or

20 (iii) Is an individual who is on active duty with the United States
21 military who is domiciled in this State; [and]

22 (3) A private career school within the State that is approved by the
23 Maryland Higher Education Commission under § 11-202 of this article and that is
24 accredited by a national accrediting association that is approved by the United States
25 Department of Education; **AND**

26 **(4) FOR LIVING EXPENSES AS DEFINED BY THE OFFICE TO SUPPORT**
27 **A STUDENT PARTICIPATING IN AN INTERNSHIP UNDER SUBTITLE 30 OR 37 OF THIS**
28 **TITLE, INCLUDING EXPENSES FOR:**

29 **(I) ON- OR OFF-CAMPUS HOUSING;**

30 **(II) FOOD;**

1 (III) SUPPLIES RELATED TO THE INTERNSHIP; AND

2 (IV) TRANSPORTATION TO AND FROM THE INTERNSHIP.

3 18-506.

4 (a) As an alternative to the scholarship awards authorized by §§ 18-503 through
5 18-505 of this subtitle, and subject to the provisions of subsection (b) of this section, during
6 each year in office each Delegate may award scholarships in a total amount equal to four
7 times the tuition and mandatory fees for a full-time undergraduate student enrolled at the
8 University of Maryland, College Park Campus for the academic year commencing in that
9 year.

10 (b) A scholarship award under subsection (a) of this section:

11 (2) Shall be used at an eligible institution **OR FOR THE PURPOSES**
12 **STATED IN § 18-501(B)(4) OF THIS SUBTITLE;**

13 18-3002.

14 There is a Maryland Technology Internship Program.

15 18-3008.

16 (a) Subject to subsections (b) and (c) of this section, money awarded under this
17 subtitle[:

18 (1) ~~May~~ **MAY** be used to reimburse a technology-based business or a unit
19 of State or local government up to 50% of a stipend paid to an intern, but not more [than:

20 (i) \$1,800 for the first semester; and

21 (ii) \$1,200 for the second semester; and

22 (2) ~~May total not more] than [\$3,000] **\$4,200** each year for each intern.~~

23 **SUBTITLE 37. MARYLAND INTERNSHIP OPPORTUNITIES PROGRAM.**

24 **18-3701.**

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

1 (B) "HUMANITIES-BASED BUSINESS" MEANS A BUSINESS PRIMARILY
2 ENGAGED IN THE ARTS, SOCIAL SCIENCES, COMMUNICATIONS, AND OTHER FIELDS
3 GENERALLY REFERRED TO AS HUMANITIES.

4 (C) "PROGRAM" MEANS THE MARYLAND INTERNSHIP OPPORTUNITIES
5 PROGRAM.

6 (D) "UMBC" MEANS THE UNIVERSITY OF MARYLAND BALTIMORE
7 COUNTY.

8 18-3702.

9 THERE IS A MARYLAND INTERNSHIP OPPORTUNITIES PROGRAM.

10 18-3703.

11 THE PURPOSES OF THE PROGRAM ARE TO:

12 (1) CONNECT COLLEGE AND UNIVERSITY STUDENTS, RECENT
13 GRADUATES, AND VETERANS WITH SMALL HUMANITIES-BASED BUSINESSES
14 THROUGH INTERNSHIPS;

15 (2) ENCOURAGE HIGH-ACHIEVING STUDENTS AT INSTITUTIONS OF
16 HIGHER EDUCATION IN THE STATE TO REMAIN IN THE STATE AFTER GRADUATION;

17 (3) INCREASE STUDENT UNDERSTANDING OF EMPLOYMENT
18 OPPORTUNITIES IN THE STATE;

19 (4) CREATE CONNECTIONS BETWEEN STUDENTS AND COMMUNITY
20 BUSINESS LEADERS AND ENTREPRENEURS AND DEVELOP OPPORTUNITIES FOR
21 STUDENT INVOLVEMENT IN COMMUNITIES;

22 (5) ASSIST SMALL HUMANITIES-BASED BUSINESSES IN DEVELOPING
23 INTERNSHIP PROGRAMS AND RECRUITING FUTURE EMPLOYEES; AND

24 (6) FOSTER BUSINESS RETENTION AND DEVELOPMENT, JOB
25 CREATION, WORKFORCE DEVELOPMENT, AND NEW INVESTMENT IN THE STATE.

26 18-3704.

27 (A) UMBC SHALL ADMINISTER THE PROGRAM.

1 **(B) TO CARRY OUT THE PURPOSES OF THE PROGRAM, UMBC, LEVERAGING**
2 **THE TECHNOLOGY SYSTEMS OF THE MARYLAND TECHNOLOGY INTERNSHIP**
3 **PROGRAM, SHALL:**

4 **(1) UTILIZE AN INTERNET SITE THROUGH WHICH:**

5 **(I) STUDENTS MAY LEARN ABOUT HUMANITIES–BASED**
6 **BUSINESSES, HUMANITIES–BASED POSITIONS IN UNITS OF STATE AND LOCAL**
7 **GOVERNMENT, AND INTERNSHIP OPPORTUNITIES;**

8 **(II) HUMANITIES–BASED BUSINESSES MAY REGISTER, POST**
9 **INFORMATION ABOUT INTERNSHIP OPPORTUNITIES, AND APPLY FOR**
10 **REIMBURSEMENT OF INTERNSHIP STIPENDS AS PROVIDED UNDER THIS SUBTITLE;**
11 **AND**

12 **(III) UNITS OF STATE AND LOCAL GOVERNMENT MAY REGISTER,**
13 **POST INFORMATION ABOUT HUMANITIES–BASED INTERNSHIP OPPORTUNITIES, AND**
14 **APPLY FOR REIMBURSEMENT OF INTERNSHIP STIPENDS AS PROVIDED UNDER THIS**
15 **SUBTITLE;**

16 **(2) DEVELOP APPLICATION AND REGISTRATION REQUIREMENTS;**

17 **(3) DEVELOP ORIENTATION AND TRAINING PROGRAMS FOR**
18 **PARTICIPANTS IN THE PROGRAM;**

19 **(4) REVIEW APPLICATIONS AND AWARD REIMBURSEMENTS OF**
20 **INTERNSHIP STIPENDS UNDER THIS SUBTITLE;**

21 **(5) PROVIDE OPPORTUNITIES FOR STUDENTS TO MEET**
22 **ENTREPRENEURS, VISIT HUMANITIES–BASED BUSINESSES, AND LEARN ABOUT**
23 **STARTING A BUSINESS IN THE STATE;**

24 **(6) PROVIDE RECRUITMENT AND TRAINING OPPORTUNITIES AND**
25 **SUPPORT FOR PARTICIPATING BUSINESSES AND UNITS OF STATE AND LOCAL**
26 **GOVERNMENT; AND**

27 **(7) TRACK AND ASSESS PROGRAM OUTCOMES.**

28 **18–3705.**

29 **TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, AN INDIVIDUAL SHALL:**

1 **(1) (i) 1. BE A STUDENT ENROLLED AT A PUBLIC OR PRIVATE**
2 **NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A**
3 **CERTIFICATE OF APPROVAL FROM THE COMMISSION; AND**

4 **2. MAINTAIN A CUMULATIVE 2.5 GRADE POINT AVERAGE**
5 **ON A 4.0 SCALE EACH ACADEMIC YEAR;**

6 **(ii) 1. WITHIN 12 MONTHS BEFORE THE DATE OF**
7 **APPLICATION FOR THE PROGRAM, HAVE GRADUATED FROM A PUBLIC OR PRIVATE**
8 **NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE THAT POSSESSES A**
9 **CERTIFICATE OF APPROVAL FROM THE COMMISSION; AND**

10 **2. HAVE MAINTAINED A CUMULATIVE 3.0 GRADE POINT**
11 **AVERAGE ON A 4.0 SCALE DURING THE LATEST ACADEMIC YEAR THE INDIVIDUAL**
12 **WAS ENROLLED AS A STUDENT;**

13 **(iii) 1. BE A STUDENT ENROLLED AT A PUBLIC OR PRIVATE**
14 **NONPROFIT INSTITUTION OF HIGHER EDUCATION OUTSIDE THE STATE, IF THE**
15 **STUDENT GRADUATED FROM A HIGH SCHOOL IN THE STATE; AND**

16 **2. MAINTAIN A CUMULATIVE 3.0 GRADE POINT AVERAGE**
17 **ON A 4.0 SCALE EACH ACADEMIC YEAR; OR**

18 **(iv) 1. HAVE BEEN HONORABLY DISCHARGED FROM THE**
19 **UNITED STATES ARMED FORCES, THE NATIONAL GUARD, OR A RESERVE**
20 **COMPONENT OF THE UNITED STATES ARMED FORCES WITHIN 18 MONTHS OF THE**
21 **DATE OF APPLICATION;**

22 **2. BE A RESIDENT OF MARYLAND; AND**

23 **3. HAVE GRADUATED FROM A PUBLIC OR PRIVATE**
24 **NONPROFIT INSTITUTION OF HIGHER EDUCATION;**

25 **(2) COMMIT TO WORKING A MINIMUM OF 120 HOURS DURING A**
26 **SPRING, FALL, OR SUMMER SEMESTER;**

27 **(3) ATTEND AN ORIENTATION SESSION PROVIDED OR APPROVED BY**
28 **UMBC; AND**

29 **(4) MEET ANY OTHER CRITERIA ESTABLISHED BY UMBC.**

30 **18-3706.**

1 (A) TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, A BUSINESS SHALL:

2 (1) BE LOCATED IN THE STATE;

3 (2) BE A HUMANITIES-BASED BUSINESS;

4 (3) COMMIT TO HOSTING AN INTERN FOR A MINIMUM OF 120 HOURS
5 DURING A SPRING, FALL, OR SUMMER SEMESTER;

6 (4) PROVIDE A DETAILED DESCRIPTION OF AN INTERN POSITION
7 WITH THE BUSINESS; AND

8 (5) PROVIDE PROOF THAT A REPRESENTATIVE HAS ATTENDED AN
9 ORIENTATION OR TRAINING PROGRAM PROVIDED OR APPROVED BY UMBC.

10 (B) TO QUALIFY FOR PARTICIPATION IN THE PROGRAM, A UNIT OF STATE
11 OR LOCAL GOVERNMENT SHALL:

12 (1) COMMIT TO HOSTING AN INTERN FOR A MINIMUM OF 120 HOURS
13 DURING A SPRING, FALL, OR SUMMER SEMESTER;

14 (2) PROVIDE A DETAILED DESCRIPTION OF A HUMANITIES-BASED
15 INTERN POSITION WITH THE UNIT; AND

16 (3) PROVIDE PROOF THAT A REPRESENTATIVE HAS ATTENDED AN
17 ORIENTATION OR TRAINING PROGRAM PROVIDED OR APPROVED BY UMBC.

18 18-3707.

19 (A) UMBC SHALL DEVELOP A PROCESS FOR TRACKING AND ASSESSING THE
20 OUTCOMES OF THE PROGRAM, INCLUDING:

21 (1) THE TOTAL NUMBER OF INDIVIDUALS, BUSINESSES, AND UNITS OF
22 STATE AND LOCAL GOVERNMENT PARTICIPATING IN THE PROGRAM;

23 (2) THE LOCATIONS AND SIZES OF PARTICIPATING BUSINESSES AND
24 UNITS OF STATE AND LOCAL GOVERNMENT;

25 (3) THE NUMBER OF PARTICIPATING STUDENTS REMAINING IN THE
26 STATE AFTER GRADUATION;

27 (4) THE NUMBER OF EMPLOYEE HIRES RESULTING FROM
28 INTERNSHIPS;

1 **(5) THE EFFECT OF THE PROGRAM ON STUDENT UNDERSTANDING OF**
2 **OPPORTUNITIES FOR ENTREPRENEURS AND SMALL BUSINESSES IN THE STATE;**

3 **(6) STUDENT SKILL GROWTH RESULTING FROM INTERNSHIP**
4 **EXPERIENCES;**

5 **(7) BUSINESS GROWTH OR IMPROVEMENT RESULTING FROM**
6 **INTERNSHIPS; AND**

7 **(8) THE EFFECT OF THE PROGRAM ON RELATIONSHIPS BETWEEN**
8 **BUSINESSES AND INSTITUTIONS OF HIGHER EDUCATION IN THE STATE.**

9 **(B) UMBC SHALL OBTAIN FEEDBACK FROM PROGRAM PARTICIPANTS:**

10 **(1) AT THE CONCLUSION OF ANY ORIENTATION OR TRAINING**
11 **PROGRAM;**

12 **(2) AT THE CONCLUSION OF EACH INTERNSHIP; AND**

13 **(3) AT THE FOLLOWING INTERVALS AFTER THE CONCLUSION OF**
14 **EACH INTERNSHIP:**

15 **(I) 3 MONTHS;**

16 **(II) 6 MONTHS;**

17 **(III) 1 YEAR;**

18 **(IV) 2 YEARS; AND**

19 **(V) 3 YEARS.**

20 **18-3708.**

21 **(A) SUBJECT TO SUBSECTIONS (B) AND (C) OF THIS SECTION, MONEY**
22 **AWARDED UNDER THIS SUBTITLE MAY BE USED TO REIMBURSE A**
23 **HUMANITIES-BASED BUSINESS OR A UNIT OF STATE OR LOCAL GOVERNMENT UP TO**
24 **50% OF A STIPEND PAID TO AN INTERN, BUT NOT MORE THAN \$4,200 EACH YEAR FOR**
25 **EACH INTERN.**

26 **(B) THE MAXIMUM REIMBURSEMENT AMOUNTS ESTABLISHED IN**
27 **SUBSECTION (A) OF THIS SECTION MAY BE INCREASED IN ACCORDANCE WITH**

1 CHANGES IN EMPLOYMENT MARKET CONDITIONS AS JOINTLY DETERMINED BY
2 UMBC AND THE DEPARTMENT OF COMMERCE.

3 (C) AT LEAST 50% OF THE INTERNSHIPS SUPPORTED BY THE PROGRAM
4 EACH YEAR SHALL BE WITH BUSINESSES THAT HAVE NOT MORE THAN 150
5 EMPLOYEES.

6 18-3709.

7 (A) AT THE END OF EACH FISCAL YEAR, UMBC SHALL PREPARE AN ANNUAL
8 REPORT THAT INCLUDES AN ACCOUNTING OF ALL FINANCIAL RECEIPTS AND
9 EXPENDITURES THAT RELATE TO THE PROGRAM.

10 (B) UMBC SHALL SUBMIT A COPY OF THE REPORT TO THE GENERAL
11 ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

12 18-3710.

13 FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL
14 BUDGET BILL AN APPROPRIATION FOR:

15 (1) THE REIMBURSEMENT OF INTERNSHIP STIPENDS UNDER THIS
16 SUBTITLE; AND

17 (2) UMBC TO ADMINISTER THE PROGRAM.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
19 as follows:

20 **Article – Tax – General**

21 10-751.

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (2) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF
25 LABOR.

26 (3) “ELIGIBLE EMPLOYER” MEANS A BUSINESS ENTITY THAT
27 PARTICIPATES IN AN INTERNSHIP PROGRAM UNDER TITLE 18, SUBTITLE 30 OR
28 SUBTITLE 37 OF THE EDUCATION ARTICLE.

29 (4) “ELIGIBLE INSTITUTION” MEANS AN INSTITUTION OF HIGHER

1 EDUCATION THAT PARTICIPATES IN AN INTERNSHIP PROGRAM UNDER TITLE 18,
2 SUBTITLE 30 OR SUBTITLE 37 OF THE EDUCATION ARTICLE.

3 (5) "ELIGIBLE INTERN" MEANS A STUDENT WHO:

4 (I) PARTICIPATED IN AN INTERNSHIP PROGRAM UNDER TITLE
5 18, SUBTITLE 30 OR SUBTITLE 37 OF THE EDUCATION ARTICLE; AND

6 (II) IS EMPLOYED BY AN ELIGIBLE EMPLOYER AS A FULL-TIME
7 EMPLOYEE WITHIN 6 MONTHS AFTER GRADUATING FROM AN ELIGIBLE
8 INSTITUTION.

9 (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, FOR THE
10 TAXABLE YEAR IN WHICH AN ELIGIBLE INTERN COMPLETED AN INTERNSHIP WITH
11 AN ELIGIBLE EMPLOYER, THE ELIGIBLE EMPLOYER MAY CLAIM A CREDIT AGAINST
12 THE STATE INCOME TAX IN AN AMOUNT EQUAL TO THE AMOUNT OF THE TAX CREDIT
13 STATED IN THE CREDIT CERTIFICATE ISSUED TO AN ELIGIBLE EMPLOYER UNDER
14 SUBSECTION (C) OF THIS SECTION.

15 (2) THE AMOUNT OF THE TAX CREDIT ALLOWED UNDER THIS SECTION
16 MAY NOT EXCEED \$4,200 FOR EACH ELIGIBLE INTERN.

17 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE
18 YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, ANY UNUSED
19 CREDIT MAY BE CARRIED FORWARD AND APPLIED TO SUBSEQUENT TAXABLE YEARS
20 UNTIL THE FULL AMOUNT OF THE CREDIT IS USED.

21 (C) (1) AT LEAST 30 DAYS BEFORE EMPLOYING AN ELIGIBLE INTERN FOR
22 WHICH AN ELIGIBLE EMPLOYER MAY BE ELIGIBLE FOR A TAX CREDIT UNDER THIS
23 SECTION, THE ELIGIBLE EMPLOYER SHALL SUBMIT AN APPLICATION TO THE
24 DEPARTMENT.

25 (2) THE DEPARTMENT SHALL:

26 (I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR CREDITS
27 UNDER THIS SECTION ON A FIRST-COME, FIRST-SERVED BASIS; AND

28 (II) WITHIN 30 DAYS AFTER RECEIPT OF AN APPLICATION,
29 CERTIFY THE AMOUNT OF ANY APPROVED TAX CREDITS TO AN ELIGIBLE EMPLOYER.

30 (3) FOR ANY TAXABLE YEAR, THE DEPARTMENT MAY NOT ISSUE
31 MORE THAN \$250,000 IN TAX CREDIT CERTIFICATES.

32 (D) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE

1 PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND PROCEDURES FOR
2 APPLICATION FOR AND APPROVAL OF TAX CREDIT CERTIFICATES FOR THE TAX
3 CREDIT UNDER THIS SECTION.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2021. Section 2 of this Act shall be applicable to all taxable years beginning after
6 December 31, 2020.