

# HOUSE BILL 582

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CF SB 473

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By: **The Speaker (By Request – Administration) and Delegates Allen, Amprey, Anderton, Bagnall, Bhandari, Bofo, Boyce, Charkoudian, Conaway, Edelson, Embry, Fennell, Foley, Forbes, Griffith, Grossman, Guyton, Guzzone, Harris, Hill, Jackson, A. Johnson, S. Johnson, Kaiser, Kaufman, R. Lewis, Lopez, Love, Patterson, Phillips, Qi, Roberts, Ruff, Ruth, Simmons, Simpson, Solomon, Taveras, Taylor, Tomlinson, Turner, and Ziegler**

Introduced and read first time: January 24, 2024

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Economic Development – Entrepreneurial Innovation Programs –**  
3 **Establishment**  
4 **(Pava LaPere Legacy of Innovation Act of 2024)**

5 FOR the purpose of establishing the Pava LaPere Innovation Acceleration Grant Program  
6 in the Maryland Technology Development Corporation to provide grants to certain  
7 technology-based start-up companies; establishing the Baltimore Innovation  
8 Initiative Pilot Program within the Maryland Innovation Initiative of the  
9 Corporation; requiring certain appropriations for the programs to be included in the  
10 annual budget bill in certain fiscal years; repealing a mandated appropriation for a  
11 certain telework assistance grant program; and generally relating to development of  
12 entrepreneurial innovation programs.

13 BY repealing and reenacting, without amendments,  
14 Article – Economic Development  
15 Section 5–1702(a)  
16 Annotated Code of Maryland  
17 (2018 Replacement Volume and 2023 Supplement)

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### 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.



BY repealing

Article – Economic Development

Section 5–1702(f)

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 5–1702(g)

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

BY adding to

Article – Economic Development

Section 10–462 and 10–462.1

Annotated Code of Maryland

(2018 Replacement Volume and 2023 Supplement)

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

**Article – Economic Development**

5–1702.

(a) There is a Business Telework Assistance Grant Program in the Department.

[(f) For each fiscal year, the Governor shall include in the annual budget bill an appropriation of \$1,000,000 for the Program.]

[(g)] (F) The Secretary shall adopt regulations necessary to carry out this section.

**10–462.**

**(A) THERE IS A PAVA LAPERE INNOVATION ACCELERATION GRANT PROGRAM IN THE CORPORATION.**

**(B) THE CORPORATION SHALL ADMINISTER THE PROGRAM.**

**(C) THE PURPOSE OF THE PROGRAM IS TO FOSTER GROWTH OF THE ENTREPRENEURIAL INNOVATION ECOSYSTEM IN THE STATE BY PROVIDING GRANTS TO TECHNOLOGY–BASED START–UP COMPANIES THAT:**

(1) ARE FOUNDED BY STUDENTS ~~OR FACULTY MEMBERS~~ OF POSTSECONDARY INSTITUTIONS LOCATED IN THE ~~BALTIMORE~~ BALTIMORE-COLUMBIA-TOWSON METROPOLITAN STATISTICAL AREA; AND

(2) HAVE THEIR PRINCIPAL PLACE OF BUSINESS IN THE ~~BALTIMORE~~ BALTIMORE-COLUMBIA-TOWSON METROPOLITAN STATISTICAL AREA.

(D) AN APPLICANT SHALL SUBMIT AN APPLICATION FOR A PROGRAM AWARD AS REQUIRED BY THE CORPORATION.

(E) THE PROGRAM SHALL REVIEW THE APPLICATION AND ALL SUPPORTING MATERIALS TO EVALUATE WHETHER THE APPLICANT QUALIFIES FOR AN AWARD FROM THE PROGRAM.

(F) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE PROGRAM SHALL AWARD \$50,000 TO EACH QUALIFYING APPLICANT.

(2) A QUALIFYING APPLICANT SHALL USE AT LEAST 20% OF THE AWARD TO HIRE THIRD-PARTY CONSULTANTS FOR PLANNING, DEVELOPMENT, REGULATORY COMPLIANCE, OR OTHER TECHNICAL ASSISTANCE RELATED TO ESTABLISHING THE START-UP COMPANY.

(3) THE CORPORATION MAY PROVIDE WAIVERS ON REQUEST BY AN APPLICANT.

(G) (1) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE AN APPROPRIATION FOR THE PROGRAM IN THE ANNUAL BUDGET BILL.

(2) THE PROGRAM MAY USE UP TO 10% OF THE ANNUAL APPROPRIATION FOR ADMINISTRATIVE EXPENSES, NOT TO EXCEED \$50,000 IN A SINGLE FISCAL YEAR.

(H) THE CORPORATION SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THIS SECTION.

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

#### Article – Economic Development

10-462.1.

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

(2) (I) “ELIGIBLE UNIVERSITY” MEANS A PUBLIC OR PRIVATE COLLEGE OR UNIVERSITY LOCATED WITHIN THE BALTIMORE–COLUMBIA–TOWSON ~~AREA~~ METROPOLITAN STATISTICAL AREA.

(II) “ELIGIBLE UNIVERSITY” INCLUDES:

1. ANNE ARUNDEL COMMUNITY COLLEGE;
2. BALTIMORE CITY COMMUNITY COLLEGE;
3. CARROLL COMMUNITY COLLEGE;
4. COMMUNITY COLLEGE OF BALTIMORE COUNTY;
5. COPPIN STATE UNIVERSITY;
6. GOUCHER COLLEGE;
7. HARFORD COMMUNITY COLLEGE;
8. HOWARD COMMUNITY COLLEGE;
9. JOHNS HOPKINS UNIVERSITY;
10. LOYOLA UNIVERSITY MARYLAND;
11. MARYLAND INSTITUTE COLLEGE OF ART;
12. MCDANIEL COLLEGE;
13. MORGAN STATE UNIVERSITY;
14. NOTRE DAME OF MARYLAND UNIVERSITY;
15. ST. JOHN’S COLLEGE;
16. STEVENSON UNIVERSITY;
17. TOWSON UNIVERSITY;
18. UNIVERSITY OF BALTIMORE;
19. UNIVERSITY OF MARYLAND, BALTIMORE CAMPUS;

AND

1                                   **20.    UNIVERSITY OF MARYLAND BALTIMORE COUNTY.**

2                   **(3)    “PILOT PROGRAM” MEANS THE BALTIMORE INNOVATION**  
3 **INITIATIVE PILOT PROGRAM.**

4           **(B)    THERE IS A BALTIMORE INNOVATION INITIATIVE PILOT PROGRAM.**

5           **(C)    THE PURPOSE OF THE PILOT PROGRAM IS TO PROVIDE INCENTIVES**  
6 **FOR AND GROW TECHNOLOGY START-UP COMPANIES FOUNDED BY STUDENTS OR**  
7 **FACULTY AT ELIGIBLE UNIVERSITIES.**

8           **(D)    THE INITIATIVE SHALL IMPLEMENT AND ADMINISTER THE PILOT**  
9 **PROGRAM.**

10           **(E)    THE INITIATIVE SHALL COLLABORATE WITH EACH PARTICIPATING**  
11 **ELIGIBLE UNIVERSITY TO IDENTIFY AND SUPPORT ENTREPRENEURIAL INITIATIVES,**  
12 **INDUSTRY PARTNERSHIPS, AND COMMERCIALIZATION OPPORTUNITIES RELATED**  
13 **TO TECHNOLOGY.**

14           **(F)    TO QUALIFY FOR PARTICIPATION IN THE PILOT PROGRAM, EACH**  
15 **ELIGIBLE UNIVERSITY SHALL PAY AN ANNUAL CONTRIBUTION OF UP TO \$50,000.**

16           **(G)    (1)    ONLY AN ELIGIBLE UNIVERSITY MAY SUBMIT PROJECT**  
17 **PROPOSALS FOR FUNDING UNDER THE PILOT PROGRAM.**

18                   **(2)    TO QUALIFY FOR PARTICIPATION IN THE PILOT PROGRAM, A**  
19 **PROJECT PROPOSAL MUST:**

20                           **(I)    SUPPORT THE CREATION OF A NEW TECHNOLOGY-BASED**  
21 **BUSINESS IN THE STATE;**

22                                   **(II)    ADVANCE           THE           TECHNOLOGY           TOWARD**  
23 **COMMERCIALIZATION OF A PRODUCT OR SERVICE, WITH PREFERENCE FOR**  
24 **PRODUCTS OR SERVICES THAT ALIGN WITH THE GOALS OF INTEGRATING**  
25 **ARTIFICIAL INTELLIGENCE OR MACHINE LEARNING IN HEALTH CARE AND**  
26 **BIOTECHNOLOGY SECTORS IN THE STATE;**

27                                   **(III)   FOSTER EQUITABLE AND INCLUSIVE ENTREPRENEURIAL**  
28 **DEVELOPMENT AT THE ELIGIBLE UNIVERSITY;**

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

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

1. PRODUCT DEVELOPMENT WITH COMMERCIALIZATION POTENTIAL; AND

2. MATCHING FUNDS PROVIDED BY THE INDUSTRY PARTNER.

(H) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE INITIATIVE SHALL DEVELOP CRITERIA TO REVIEW, EVALUATE, AND RATE PROJECT PROPOSALS FOR FUNDING UNDER THE PILOT PROGRAM.

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

(3) THE INITIATIVE SHALL GIVE PRIORITY TO PROJECT PROPOSALS THAT ALIGN WITH THE MISSION OF THE BALTIMORE TECH HUB OR ARTIFICIAL INTELLIGENCE- AND LIFE SCIENCE-ORIENTED BUSINESSES.

(I) (1) FOR FISCAL YEARS 2025 AND 2026, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$1,500,000 FOR THE PILOT PROGRAM.

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

(J) IN ADDITION TO INFORMATION ON THE INITIATIVE INCLUDED IN THE ANNUAL REPORT OF THE CORPORATION UNDER § 10-415 OF THIS SUBTITLE, ON OR BEFORE JULY 1, 2027, THE CORPORATION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF THE PILOT PROGRAM.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024. Section 2 of this Act shall remain effective for a period of 3 years and, at the end of June 30, 2027, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.