

SENATE BILL 239

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By: **The President (By Request – Administration) and Senators Garagiola, King, Madaleno, Manno, McFadden, Peters, Pugh, Robey, and Rosapepe**

Introduced and read first time: January 20, 2012

Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Technology Development Corporation –**
3 **Maryland Innovation Initiative**

4 FOR the purpose of establishing the Maryland Innovation Initiative in the Maryland
5 Technology Development Corporation; establishing the membership,
6 qualifications, and the requirements for participation in the Initiative;
7 establishing the purpose of the Initiative; providing for the funding of the
8 Initiative and requiring funds to be used only for certain financial assistance
9 and administrative expenses; authorizing the Initiative to award grants to
10 certain entities under certain circumstances; authorizing the members of the
11 Initiative to establish a certain committee with a certain membership and
12 certain duties; requiring the Board of Regents of the University System of
13 Maryland to undertake certain high impact economic development activities;
14 requiring the Board of Regents to adopt certain policies and procedures related
15 to certain high impact economic development activities; authorizing a
16 University System of Maryland institution to establish, invest in, finance, or
17 operate a certain entity that supports high impact economic development
18 activity and authorizing certain employees to participate in the entity; requiring
19 the Corporation and the Board of Regents to provide certain reports that
20 include certain information; altering the amount and the types of contracts
21 required for a certain Board of Public Works review; defining certain terms;
22 making stylistic changes; and generally relating to economic development, the
23 commercialization of technology in the State, and the Maryland Innovation
24 Initiative.

25 BY adding to

26 Article – Economic Development

27 Section 10–454 through 10–459 to be under the new part “Part V. Maryland
28 Innovation Initiative”

29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2008 Volume and 2011 Supplement)

2 BY adding to

3 Article – Education

4 Section 12–104.1

5 Annotated Code of Maryland

6 (2008 Replacement Volume and 2011 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article – Education

9 Section 12–113

10 Annotated Code of Maryland

11 (2008 Replacement Volume and 2011 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – State Finance and Procurement

14 Section 11–203(e)

15 Annotated Code of Maryland

16 (2009 Replacement Volume and 2011 Supplement)

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

19 **Article – Economic Development**

20 **10–452. RESERVED.**

21 **10–453. RESERVED.**

22 **PART V. MARYLAND INNOVATION INITIATIVE.**

23 **10–454.**

24 **(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS**
25 **INDICATED.**

26 **(B) “COMMERCIALIZATION” MEANS THE PROCESS OF INTRODUCING A**
27 **NEW PRODUCT OR TECHNOLOGY INTO THE MARKET.**

28 **(C) “CORPORATION” MEANS THE MARYLAND TECHNOLOGY**
29 **DEVELOPMENT CORPORATION.**

30 **(D) “INITIATIVE” MEANS THE MARYLAND INNOVATION INITIATIVE**
31 **ESTABLISHED UNDER § 10–456 OF THIS PART.**

1 **(E) “PARTICIPATING MEMBERS” MEANS THE REPRESENTATIVES**
2 **ESTABLISHED UNDER § 10-455(B) OF THIS PART.**

3 **(F) “QUALIFYING UNIVERSITY” MEANS A PUBLIC OR PRIVATE**
4 **UNIVERSITY THAT MEETS THE REQUIREMENTS SET FORTH UNDER § 10-455(C)**
5 **OF THIS PART.**

6 **(G) “TECHNOLOGY TRANSFER” MEANS THE PROCESS OF CONVERTING**
7 **SCIENTIFIC AND TECHNOLOGICAL ADVANCES INTO MARKETABLE GOODS AND**
8 **SERVICES.**

9 **(H) “UNIVERSITY” MEANS A NOT-FOR-PROFIT, RESEARCH UNIVERSITY**
10 **LOCATED IN MARYLAND.**

11 **10-455.**

12 **(A) THERE IS A MARYLAND INNOVATION INITIATIVE.**

13 **(B) THE INITIATIVE CONSISTS OF THE FOLLOWING PARTICIPATING**
14 **MEMBERS:**

15 **(1) ONE OFFICIAL OF STATE GOVERNMENT, OR THE OFFICIAL’S**
16 **DESIGNEE, APPOINTED BY THE GOVERNOR;**

17 **(2) TWO INDIVIDUALS FROM THE PRIVATE SECTOR WITH**
18 **EXPERIENCE IN COMMERCIALIZING TECHNOLOGY IN THE STATE, ONE**
19 **APPOINTED BY THE PRESIDENT OF THE SENATE, AND ONE APPOINTED BY THE**
20 **SPEAKER OF THE HOUSE OF DELEGATES; AND**

21 **(3) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE**
22 **FOLLOWING MEMBERS APPOINTED BY THE RESPECTIVE UNIVERSITIES:**

23 **(I) ONE REPRESENTATIVE OF THE JOHNS HOPKINS**
24 **UNIVERSITY;**

25 **(II) ONE REPRESENTATIVE OF MORGAN STATE**
26 **UNIVERSITY;**

27 **(III) ONE REPRESENTATIVE OF UNIVERSITY OF MARYLAND,**
28 **BALTIMORE;**

29 **(IV) ONE REPRESENTATIVE OF UNIVERSITY OF MARYLAND,**
30 **BALTIMORE COUNTY; AND**

1 **(V) ONE REPRESENTATIVE OF UNIVERSITY OF MARYLAND,**
2 **COLLEGE PARK.**

3 **(C) TO QUALIFY FOR PARTICIPATION IN THE INITIATIVE, A UNIVERSITY**
4 **SHALL PROVIDE AT LEAST \$250,000 ANNUALLY TO THE INITIATIVE TO CARRY**
5 **OUT THE PURPOSES SET FORTH UNDER THIS PART.**

6 **(D) THE PARTICIPATING MEMBERS OF THE INITIATIVE SHALL SELECT A**
7 **CHAIR FROM AMONG THEIR MEMBERS.**

8 **(E) A PARTICIPATING MEMBER OF THE INITIATIVE:**

9 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**
10 **INITIATIVE; BUT**

11 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
12 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE**
13 **BUDGET.**

14 **(F) THE INITIATIVE MAY EMPLOY A STAFF, INCLUDING AN EXECUTIVE**
15 **DIRECTOR.**

16 **10-456.**

17 **(A) THE PURPOSE OF THE INITIATIVE IS TO:**

18 **(1) PROMOTE THE COMMERCIALIZATION OF RESEARCH**
19 **CONDUCTED IN UNIVERSITIES IN THE STATE;**

20 **(2) ENCOURAGE QUALIFYING UNIVERSITIES TO PARTNER ON**
21 **COMMERCIALIZATION AND OTHER ACTIVITIES, INCLUDING WITH FEDERAL**
22 **LABORATORIES LOCATED IN MARYLAND; AND**

23 **(3) FACILITATE THE TRANSFER OF TECHNOLOGY FROM**
24 **UNIVERSITIES TO COMMERCIAL INDUSTRIES, BY:**

25 **(I) ASSESSING THE VIABILITY AND VALUE OF THE**
26 **TECHNOLOGY;**

27 **(II) DEFINING AND EXPLOITING POTENTIAL MARKETS FOR**
28 **THE TECHNOLOGY;**

1 (III) IDENTIFYING FUNDING SOURCES TO SUPPORT THE
2 DEVELOPMENT OF THE TECHNOLOGY; AND

3 (IV) DEVELOPING COMMERCIALIZATION STRATEGIES.

4 (B) THE CORPORATION SHALL ADMINISTER THE INITIATIVE.

5 (C) THE INITIATIVE MAY BE FUNDED BY:

6 (1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

7 (2) CONTRIBUTIONS BY THE QUALIFYING UNIVERSITIES;

8 (3) GRANTS OR FUNDS FROM FEDERAL LABORATORIES LOCATED
9 IN MARYLAND; AND

10 (4) ANY OTHER MONEY ACCEPTED FOR THE BENEFIT OF THE
11 INITIATIVE.

12 (D) FUNDS OF THE INITIATIVE MAY BE USED ONLY TO:

13 (1) AWARD GRANTS TO PROMOTE THE COMMERCIALIZATION OF
14 RESEARCH IN ACCORDANCE WITH THE TERMS OF THIS PART; AND

15 (2) PAY THE COSTS NECESSARY TO ADMINISTER THE INITIATIVE.

16 10-457.

17 (A) THE INITIATIVE MAY:

18 (1) PROVIDE GRANT FUNDING TO A QUALIFYING UNIVERSITY,
19 QUALIFYING UNIVERSITY-BASED ENTREPRENEUR, OR OTHER START-UP
20 ENTITY, TO PROMOTE THE COMMERCIALIZATION OF TECHNOLOGY DEVELOPED
21 IN WHOLE OR IN PART BY A QUALIFYING UNIVERSITY;

22 (2) PURSUE GRANT FUNDING FOR THE INITIATIVE OR ITS
23 QUALIFYING UNIVERSITIES;

24 (3) DEVELOP AND IMPLEMENT GUIDELINES FOR TECHNOLOGY
25 TRANSFER; AND

26 (4) IDENTIFY PROJECTS AT QUALIFYING UNIVERSITIES THAT MAY
27 BE VIABLE FOR COMMERCIALIZATION.

1 **(B) THE GRANT FUNDING IN SUBSECTION (A) MAY BE AWARDED:**

2 **(1) TO SUPPORT PRE-COMMERCIAL RESEARCH ON**
3 **INTELLECTUAL PROPERTY TO INCREASE THE LIKELIHOOD OF**
4 **COMMERCIALIZING THE INTELLECTUAL PROPERTY;**

5 **(2) TO DEFRAY COSTS OF EVALUATING THE FEASIBILITY OF A**
6 **TECHNOLOGY BECOMING COMMERCIALIZED THROUGH A START-UP COMPANY;**

7 **(3) TO DEFRAY THE DIRECT COSTS OF DEVELOPING EARLY STAGE**
8 **TECHNOLOGY THROUGH A START-UP ENTITY;**

9 **(4) TO ASSESS INTELLECTUAL PROPERTY ISSUES, INCLUDING**
10 **LICENSING AND PATENTS; OR**

11 **(5) FOR ANY OTHER COSTS THAT THE INITIATIVE'S**
12 **PARTICIPATING MEMBERS DETERMINE ARE APPROPRIATE TO PROMOTE**
13 **TECHNOLOGY TRANSFER AND COMMERCIALIZATION IN THE STATE.**

14 **10-458.**

15 **(A) THE PARTICIPATING MEMBERS OF THE INITIATIVE MAY ESTABLISH**
16 **A COMMITTEE COMPOSED OF EXPERTS IN THE AREAS OF RESEARCH**
17 **CONSIDERED FOR COMMERCIALIZATION.**

18 **(B) THE INITIATIVE MAY ESTABLISH THE COMMITTEE UNDER SERVICE**
19 **CONTRACTS WITH INDEPENDENT REVIEWERS.**

20 **(C) THE COMMITTEE SHALL:**

21 **(1) REVIEW, EVALUATE, AND RATE PROPOSALS FOR FUNDING**
22 **FROM THE INITIATIVE, BASED ON:**

23 **(I) THE VIABILITY OF COMMERCIALIZING THE**
24 **TECHNOLOGY; AND**

25 **(II) THE RELATIVE COSTS ASSOCIATED WITH**
26 **COMMERCIALIZING THE TECHNOLOGY; AND**

27 **(2) MAKE RECOMMENDATIONS TO THE PARTICIPATING MEMBERS**
28 **OF THE INITIATIVE FOR THE AWARD AND DISBURSEMENT OF GRANTS FROM THE**
29 **INITIATIVE.**

1 (4) **THE PRODUCTION OF AT LEAST \$1,000,000 OF ANNUAL GROSS**
2 **REVENUE;**

3 (5) **THE LICENSING AND POTENTIAL COMMERCIALIZATION OF A**
4 **PROMISING NEW TECHNOLOGY OR OTHER PRODUCT; OR**

5 (6) **AN ACADEMIC PROGRAM TO MEET WORKFORCE DEMAND IN A**
6 **DOCUMENTED LABOR SHORTAGE FIELD.**

7 **(B) TO PROMOTE THE ECONOMIC INTERESTS OF THE STATE AS**
8 **MANDATED IN §§ 10–205(A) AND 15–107 OF THIS ARTICLE, THE UNIVERSITY**
9 **SYSTEM OF MARYLAND SHALL UTILIZE ITS POWERS AS A PUBLIC CORPORATION**
10 **ESTABLISHED IN § 12–104 OF THIS SUBTITLE TO UNDERTAKE HIGH IMPACT**
11 **ECONOMIC DEVELOPMENT ACTIVITIES THAT SUPPORT:**

12 **(1) JOB CREATION AND WORKFORCE DEVELOPMENT;**

13 **(2) TECHNOLOGY TRANSFER, COMMERCIALIZATION, AND**
14 **ENTREPRENEURSHIP; AND**

15 **(3) INCREASED SPONSORED RESEARCH FUNDING AND OTHER**
16 **REVENUES.**

17 **(C) IN ORDER FOR AN ACTIVITY TO QUALIFY AS A HIGH IMPACT**
18 **ECONOMIC DEVELOPMENT ACTIVITY:**

19 **(1) THE PRESIDENT OF A CONSTITUENT INSTITUTION, OR THE**
20 **PRESIDENT’S DESIGNEE, SHALL FORWARD A REQUEST TO THE CHANCELLOR**
21 **FOR CERTIFICATION THAT THE ACTIVITY MEETS THE CRITERIA DEFINED IN**
22 **SUBSECTION (A) OF THIS SECTION; AND**

23 **(2) THE CHANCELLOR, OR THE CHANCELLOR’S DESIGNEE, SHALL**
24 **NOTIFY THE BOARD OF REGENTS AND THE BOARD OF PUBLIC WORKS OF ANY**
25 **CERTIFIED ACTIVITY FOR REVIEW.**

26 **(D) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR ANY**
27 **HIGH IMPACT ECONOMIC ACTIVITY WITHIN THE SCOPE OF § 5–310 OR § 10–305**
28 **OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE BOARD OF**
29 **REGENTS SHALL BE FULLY RESPONSIBLE FOR ADMINISTERING THE REVIEW**
30 **AND COMMENT PROCESS PRESCRIBED IN THOSE SECTIONS.**

31 **(2) IN ADMINISTERING THE REVIEW AND COMMENT PROCESS**
32 **PRESCRIBED IN §§ 5–310 AND 10–305 OF THE STATE FINANCE AND**

1 **PROCUREMENT ARTICLE, THE BOARD OF REGENTS SHALL NOTIFY AND SUBMIT**
2 **TO REVIEW BY THE APPROPRIATE LEGISLATIVE COMMITTEES AND UNITS OF**
3 **STATE GOVERNMENT, WHICH MAY INCLUDE:**

- 4 (I) **COMMITTEES OF THE GENERAL ASSEMBLY;**
5 (II) **THE BOARD OF PUBLIC WORKS;**
6 (III) **THE MARYLAND HISTORIC TRUST;**
7 (IV) **THE DEPARTMENT OF PLANNING;**
8 (V) **THE DEPARTMENT OF THE ENVIRONMENT; AND**
9 (VI) **THE DEPARTMENT OF NATURAL RESOURCES.**

10 (3) **THE BOARD OF REGENTS SHALL ADOPT POLICIES AND**
11 **PROCEDURES TO ENSURE THAT THE NOTICE AND OPPORTUNITY FOR REVIEW**
12 **ARE CONDUCTED IN A MANNER THAT PROVIDES A REASONABLE PERIOD TO**
13 **COMPLETE WHILE NOT IMPAIRING THE INSTITUTION'S CAPACITY FOR THE**
14 **EXPEDITIOUS AND SUCCESSFUL PURSUIT OF A HIGH IMPACT ECONOMIC**
15 **DEVELOPMENT ACTIVITY.**

16 (E) **ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE BOARD OF**
17 **REGENTS SHALL REPORT TO THE BOARD OF PUBLIC WORKS, THE SENATE**
18 **BUDGET AND TAXATION COMMITTEE, AND THE HOUSE APPROPRIATIONS**
19 **COMMITTEE ON THE HIGH IMPACT ECONOMIC DEVELOPMENT ACTIVITIES**
20 **UNDERTAKEN UNDER THIS SECTION DURING THE PRECEDING FISCAL YEAR.**

21 12–113.

22 (a) Consistent with § 15–107 of this article and any other applicable law, the
23 Board of Regents may establish, invest in, finance, and operate businesses or business
24 entities when the Board finds that doing so would further one or more goals of the
25 University and is related to the mission of the University.

26 (b) (1) A business entity established, invested in, financed, or operated in
27 accordance with this [subsection] SECTION may not be considered an agency or
28 instrumentality of the State or a unit of the Executive Branch for any purpose.

29 (2) A financial obligation or liability of a business entity established,
30 invested in, financed, or operated in accordance with this [subsection] SECTION may
31 not be a debt or obligation of the State or University.

1 **(c) (1) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, AN**
2 **INSTITUTION MAY ESTABLISH, INVEST IN, FINANCE, OR OPERATE A**
3 **CORPORATION, FOUNDATION, CONSORTIUM, OR OTHER ENTITY THAT IS**
4 **INTENDED TO SUPPORT A HIGH IMPACT ECONOMIC DEVELOPMENT ACTIVITY, AS**
5 **DEFINED IN § 12-104.1 OF THIS ARTICLE.**

6 **(2) NOTWITHSTANDING THE PROVISIONS OF §§ 15-501 THROUGH**
7 **15-504 OF THE STATE GOVERNMENT ARTICLE AND SUBJECT TO**
8 **§ 15-523 OF THE STATE GOVERNMENT ARTICLE, AN OFFICIAL OR EMPLOYEE**
9 **OF A PUBLIC INSTITUTION OF HIGHER EDUCATION MAY BE A DIRECTOR,**
10 **OFFICIAL, OR EMPLOYEE OF AN ENTITY INTENDED TO SUPPORT A HIGH IMPACT**
11 **ECONOMIC DEVELOPMENT ACTIVITY, IF THE INDIVIDUAL'S PARTICIPATION**
12 **ADVANCES THE INTERESTS OF THE INSTITUTION.**

13 **(3) DIVISION II OF THE STATE FINANCE AND PROCUREMENT**
14 **ARTICLE DOES NOT APPLY TO TRANSACTIONS BETWEEN AN ENTITY**
15 **ESTABLISHED, FINANCED, OR OPERATED UNDER THIS SUBSECTION AND THE**
16 **INSTITUTION OR CONSORTIUM OF INSTITUTIONS THAT ESTABLISHED,**
17 **FINANCED, OR OPERATED THE ENTITY.**

18 **(4) (i) THE BOARD OF REGENTS SHALL ADOPT POLICIES AND**
19 **PROCEDURES GOVERNING THE ESTABLISHMENT OF HIGH IMPACT ECONOMIC**
20 **DEVELOPMENT ENTITIES TO ENSURE THAT THE INSTITUTION'S PARTICIPATION**
21 **IN THE ENTITY FURTHERS THE INTERESTS OF THE INSTITUTION, THE**
22 **UNIVERSITY SYSTEM OF MARYLAND, AND THE STATE.**

23 **(ii) THE POLICIES AND PROCEDURES UNDER**
24 **SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL INCLUDE REQUIREMENTS FOR:**

25 **1. RECOGNITION OF THE ENTITY BY THE BOARD OF**
26 **REGENTS;**

27 **2. AN ANNUAL AUDIT OF THE ENTITY BY AN**
28 **INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT; AND**

29 **3. ADEQUATE SAFEGUARDS WITH REGARD TO**
30 **CONFLICTS OF INTEREST, PROPER CONTRACTING PRACTICES, AND OTHER**
31 **FUNDAMENTAL ETHICAL AND BUSINESS PRACTICE STANDARDS.**

32 **[(c)] (D) The Board of Regents shall submit to the Governor, and in**
33 **accordance with § 2-1246 of the State Government Article, the General Assembly, an**
34 **annual report on:**

35 **(1) The business entities established in accordance with this section;**

1 (2) Funds invested in, and financing provided to, business entities
2 established in accordance with this section;

3 (3) Ownership interests in any business entities established in
4 accordance with this section; and

5 (4) The current status of the business entities.

6 **Article – State Finance and Procurement**

7 11–203.

8 (e) (1) In this subsection, “University” means the University System of
9 Maryland, Morgan State University, or St. Mary’s College of Maryland.

10 (2) Except as otherwise provided in this subsection, this Division II
11 does not apply to the University System of Maryland, Morgan State University, or St.
12 Mary’s College of Maryland.

13 (3) (i) A procurement by a University shall comply with the
14 policies and procedures developed by the University and approved by the Board of
15 Public Works and the Administrative, Executive, and Legislative Review Committee of
16 the General Assembly in accordance with § 12–112 of the Education Article for the
17 University System of Maryland, § 14–109 of the Education Article for Morgan State
18 University, or § 14–405(f) of the Education Article for St. Mary’s College of Maryland.

19 (ii) 1. [Any contract for services or capital improvements
20 with a value that exceeds \$500,000 shall require the] **THE** review and approval of the
21 Board of Public Works **SHALL BE REQUIRED FOR THE FOLLOWING TYPES OF**
22 **CONTRACTS WITH A VALUE THAT EXCEEDS \$1,000,000:**

23 **A. CAPITAL IMPROVEMENTS;**

24 **B. SERVICES;**

25 **C. PURCHASES FUNDED WITH THE PROCEEDS OF A**
26 **GENERAL OBLIGATION LOAN UNDER § 8–301 OF THIS ARTICLE; AND**

27 **D. DISPOSITIONS OF PERSONAL PROPERTY SUBJECT**
28 **TO § 10–305 OF THIS ARTICLE.**

29 2. In its review of a contract for services or capital
30 improvements with a value that exceeds [\$500,000] **\$1,000,000**, the Board of Public
31 Works may request the comments of the appropriate agencies, including the
32 Department of Budget and Management and the Department of General Services.

1 (4) A University's policies shall:

2 (i) to the maximum extent practicable, require the purchasing
3 of supplies and services in accordance with Title 14, Subtitle 1 of this article; and

4 (ii) promote the purposes of the regulations adopted by the
5 Department of General Services governing the procurement of architectural and
6 engineering services.

7 (5) (i) Except as provided in paragraph (7) of this subsection, the
8 following provisions of Division II of this article apply to a University:

9 1. § 11–205 of this subtitle (“Collusion”);

10 2. § 11–205.1 of this subtitle (“Falsification,
11 concealment, etc., of material facts”);

12 3. § 13–219 of this article (“Required clauses –
13 Nondiscrimination clause”);

14 4. § 13–225 of this article (“Retainage”);

15 5. Title 14, Subtitle 3 of this article (“Minority Business
16 Participation”);

17 6. Title 15, Subtitle 1 of this article (“Procurement
18 Contract Administration”);

19 7. § 15–226 of this article (“Policy established; timing of
20 payments; notice upon nonpayment; disputes; appeals”); and

21 8. Title 16 of this article (“Suspension and Debarment of
22 Contractors”).

23 (ii) If a procurement violates the provisions of this subsection or
24 policies adopted in accordance with this subsection, the procurement contract is void
25 or voidable in accordance with the provisions of § 11–204 of this subtitle.

26 (6) (i) The State Board of Contract Appeals shall have authority
27 over contract claims related to procurement contracts awarded by:

28 1. the University System of Maryland before July 1,
29 1999; and

30 2. Morgan State University before July 1, 2004.

1 (ii) At the election of the Board of Regents of the University
2 System of Maryland and subject to the approval of the Board of Public Works, the
3 State Board of Contract Appeals shall have authority over contract claims related to
4 procurement contracts awarded by the University after June 30, 1999.

5 (iii) At the election of the Board of Regents of Morgan State
6 University and subject to the approval of the Board of Public Works, the State Board
7 of Contract Appeals shall have authority over contract claims related to procurement
8 contracts awarded by the University after June 30, 2004.

9 (iv) At the election of the Board of Trustees of St. Mary's College
10 of Maryland and subject to the approval of the Board of Public Works, the State Board
11 of Contract Appeals shall have authority over contract claims related to procurement
12 contracts awarded by St. Mary's College of Maryland after June 30, 2006.

13 (7) Paragraphs (3), (4), and (5) of this subsection do not apply to:

14 (i) procurement by a University from:

- 15 1. another unit;
- 16 2. a political subdivision of the State;
- 17 3. an agency of a political subdivision of the State;
- 18 4. a government, including the government of another
19 state, of the United States, or of another country;
- 20 5. an agency or political subdivision of a government; or
- 21 6. a bistate, multistate, bicounty, or multicounty
22 governmental agency;

23 (ii) procurement by a University in support of enterprise
24 activities for the purpose of:

- 25 1. direct resale;
- 26 2. remanufacture and subsequent resale; or
- 27 3. procurement by the University for overseas programs;
- 28 or

29 (iii) procurement by the University System of Maryland for:

- 30 1. services of managers to invest, in accordance with the
31 management and investment policies adopted by the Board of Regents of the

1 University System of Maryland, gift and endowment assets received by the University
2 System of Maryland in accordance with § 12-104(e) of the Education Article; or

3 2. expenditures to manage, maintain, and enhance, in
4 accordance with the management and investment policies adopted by the Board of
5 Regents of the University System of Maryland, the value of gift and endowment assets
6 received by the University System of Maryland in accordance with § 12-104(e) of the
7 Education Article.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2012.