MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION REVISIONS

FY 2020

Economic Development §10-4A-28

Maryland Technology Development Corporation

August 2026

TEDCO
LEADING INNOVATION TO MARKET

August 25, 2026

The Honorable Bill Ferguson
President
Maryland General Assembly
State House, H-107
Annapolis, Maryland 21401

The Honorable Joseline A. Peña-Melnyk
Speaker
Maryland General Assembly
State House, H-101
Annapolis, Maryland 21401

Re: SB 747/Ch. 580(2), 2020 (MSAR #12470)

Dear Sirs & Madams,

The Maryland Technology Development Corporation (TEDCO) writes to acknowledge and express its sincere regret that the report required under Senate Bill 747 (Chapter 580 of 2020), — directing TEDCO to review the provisions of Maryland law pertaining to the Corporation and to recommend statutory changes to the General Assembly — was not submitted by the required deadline of December 1, 2020. Staff turnover during that period created a gap in institutional continuity that contributed to the missed deadline. TEDCO appreciates both the opportunity to submit this report and the diligent follow-up from the Department of Legislative Services.

The requirement established in Senate Bill 747 tasks TEDCO with reviewing its statutory framework and assessing whether changes could improve the Corporation's effectiveness in carrying out its mission. That objective remains relevant today as when the bill was enacted. Just as Maryland continues to evaluate how best to support innovation, entrepreneurship, and equitable economic growth, it is appropriate that TEDCO periodically examine whether the laws governing the Corporation remain aligned with the State's goals.

Accordingly, TEDCO respectfully submits the recommendations below regarding statutory provisions affecting the Corporation. Should the General Assembly wish to discuss these further, TEDCO stands ready to provide additional analysis, informed by its experience over the past several years and by the changes that have occurred in Maryland's technology and entrepreneurial landscape, and in TEDCO's statute, since Senate Bill 747's enactment.

TEDCO remains grateful for the confidence the General Assembly has consistently placed in the Corporation. We are committed to maintaining trust through transparency, responsiveness, and a continued dedication to serving Maryland's innovators, businesses, and communities.

Thank you for your leadership and for your continued support of innovation-driven economic development in Maryland. Please contact me, or TEDCO's Mindy Lehman, with any questions.

Sincerely,

Tammi Thomas
Tammi Thomas (Sep 1, 2026 10:27:41 EDT)

Tammi Thomas
President
Maryland Technology Development Corporation

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Senate Bill 747 (Chapter 580 of 2020) — TEDCO's Recommendations

Background: According to the Department of Legislative Services' Fiscal and Policy Note, Chapter 580 of 2020 revises, restates, and recodifies the laws of the State related to the Maryland Technology Development Corporation (TEDCO), clarifying language and making technical and stylistic changes. The bill also required TEDCO, by December 1, 2020, to review the entirety of TEDCO-related provisions in the Annotated Code and report recommended changes to the General Assembly.

Accordingly, TEDCO has reviewed the TEDCO-related statutory provisions and submits the following three recommendations.

1. Consolidation and Streamlining of Statutorily Required Reporting

TEDCO has made progress in reducing unnecessary administrative burdens related to duplicative reporting by better aligning the timing of selecting mandatory reports through recent legislative changes. Specifically, House Bill 124/Senate Bill 131, effective June 1, 2023, modified certain reporting requirements, streamlining TEDCO's investment reporting from quarterly to semiannual submissions. This change reduced the overall reporting burden while maintaining regular, timely data reporting.

- **Recommendation:** Building on this progress, TEDCO recommends further aligning and consolidating its remaining reporting requirements by incorporating stand-alone annual reports into TEDCO's comprehensive Annual Report. This approach would reduce duplicative reporting while maintaining transparency and accountability. Specifically, TEDCO recommends changing the submission date for the Maryland Equitech Growth Fund Report from April 1 to October 1 and changing the submission date for the Human Relevant Research Progress Report from January 1 to October 1. Aligning these deadlines with TEDCO's annual reporting cycle would allow the required information to be included in the Annual Report rather than submitted as separate stand-alone reports, improving efficiency and streamlining compliance efforts.

2. Flexibility in TEDCO Divestment Requirements (Addressed in 2026 Legislation)

TEDCO also identified a need for greater flexibility in its statutory divestment requirements. This change, recommended by the Office of the Attorney General, was needed to provide clarity and better control over when TEDCO must exit an investment. It modifies the

TEDCO statute stipulating divestment for portfolio companies that no longer meet the statutory "qualified Maryland business" definition due to growth or M&A activity. This modification enables a more controlled investment exit, improving TEDCO's ability to enhance returns on state funds, and provides a mechanism to help offset negative outcomes for expanding Maryland startups when appropriate, under the oversight of the Investment Committee of TEDCO's Board.

As a result of 2026 legislation (**HB 487 / SB 248 - Maryland Technology Development Corporation – Investments – Alterations)**, rather than requiring mandatory divestiture, the law allows TEDCO to evaluate each situation individually and pursue the remedy that best serves the State's economic development interests, including alternatives to divestment where appropriate.

- **Recommendation:** TEDCO will continue to work with the Office of the Maryland Attorney General on an ongoing basis to assess whether any additional changes are needed in this area.

3. Clarity on Governance Term Limits — the "Holdover" Period

TEDCO statute provides for two governing boards (TEDCO's Board of Directors and the Maryland Innovation Initiative Board), the Maryland Venture Authority, and the Maryland Stem Cell Research Commission. Of these governing bodies, the TEDCO Board and the Maryland Stem Cell Research Commission, have appointed members subject to statutory term limits. Statute also includes a "holdover" provision to support continuity of board operations, specifying that "at the end of a term, an appointed member continues to serve until a successor is appointed and qualifies." While this provision provides important flexibility for board continuity, there have been instances in which the holdover period has extended for several years, running counter to the general legislative intent of term limits.

- **Recommendation:** TEDCO recommends clarifying the statutory provisions governing appointed members' terms to establish a defined limit on the holdover period, ensuring it does not extend for multiple years and that compliance with statutory term limits remains clear. This change is intended to support continuity, preserve institutional knowledge, encourage fresh perspectives, and promote effective governance. Specifically, TEDCO recommends capping the holdover period at a maximum of 12 months — a limit that affords governing boards reasonable flexibility

while establishing clear parameters around the holdover timeframe. Related Chapters are:

- (Chapter 196, Acts of 2021; Code Economic Development Article, sec. 10-403)
- Chapter 19, Acts of 2006)