

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 487 (Delegate Feldmark)  
Economic Matters

---

Maryland Technology Development Corporation - Investments - Alterations

---

This bill requires the Maryland Technology Development Corporation (TEDCO) to adopt, as part of establishing the responsibilities of the investment committee, a process for considering remedies, including divestment, for investments in a business that no longer meets the definition of a qualified business. The bill also authorizes, rather than requires, TEDCO to divest or instead pursue another remedy that is in TEDCO’s best interest within 15 years after making an equity investment. **The bill takes effect July 1, 2026.**

---

Fiscal Summary

**State Effect:** While financial investment returns to TEDCO may increase, the provisions are not anticipated to materially affect State finances.

**Local Effect:** None.

**Small Business Effect:** Minimal.

---

Analysis

**Current Law:** TEDCO is an independent entity established by the Maryland General Assembly in 1998 to enhance the transfer of technology from universities and federal laboratories to the private sector and foster the growth of companies in critical or high-growth sectors. TEDCO programs typically assist companies based on a company’s stage of development, from early stage and technology transfer to growth stage.

TEDCO must adopt regulations establishing an investment committee, its responsibilities, and the procedures for appointing its members. TEDCO investments must meet statutory

eligibility criteria that generally require a business to have and subsequently maintain a presence in the State.

Generally, whenever TEDCO is authorized by law to make a grant, including from the Economic Development Opportunities Program Account (also known as the Sunny Day Fund), TEDCO may use money appropriated for the grant to make an equity investment in a qualified business. In making an equity investment, TEDCO may not acquire an ownership interest in an enterprise that exceeds 25%. However, TEDCO may acquire an ownership interest exceeding 25% when making an equity investment in one or more venture or private equity firms.

Within 15 years after making an equity investment, TEDCO must divest itself from that investment. The liability of the State and TEDCO in making an equity investment is limited to the amount of that investment.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see SB 427 and HB 498 of 2025.

**Designated Cross File:** SB 248 (Senator Beidle) - Finance.

**Information Source(s):** Maryland Technology Development Corporation; Department of Commerce; Department of Legislative Services

**Fiscal Note History:** First Reader - January 27, 2026  
sj/ljm

---

Analysis by: Thomas S. Elder

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510