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By: **Delegates Hill and Brown**  
Introduced and read first time: February 11, 2000  
Assigned to: Economic Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 22, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Economic Development - Enterprise Zones**

3 FOR the purpose of requiring the Department of Business and Economic  
4 Development to ~~give funding preference to business projects located in a focus~~  
5 ~~area~~ consider whether a business project is located in a focus area or an  
6 enterprise zone when making certain funding decisions; requiring designated  
7 enterprise zones to be located in ~~designated priority funding areas that are~~  
8 designated as priority funding areas or meet an exception; establishing a Task  
9 Force to Study the Maryland Enterprise Zone Program; providing for the  
10 membership, duties, and staffing of the Task Force; requiring the Task Force to  
11 issue a report by a certain date; providing for the effective date and the  
12 termination of certain provisions of this Act; and generally relating to enterprise  
13 zones.

14 BY adding to  
15 Article 83A - Department of Business and Economic Development  
16 Section 5-105  
17 Annotated Code of Maryland  
18 (1998 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article 83A - Department of Business and Economic Development  
21 Section 5-403  
22 Annotated Code of Maryland  
23 (1998 Replacement Volume and 1999 Supplement)

24 BY adding to

1 Article 41 - Governor - Executive and Administrative Departments  
2 Section 18-317  
3 Annotated Code of Maryland  
4 (1997 Replacement Volume and 1999 Supplement)

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

7 **Article 83A - Department of Business and Economic Development**

8 5-105.

9 ~~THE DEPARTMENT SHALL GIVE FUNDING PREFERENCE TO BUSINESS~~  
10 ~~PROJECTS LOCATED IN A FOCUS AREA AS DESIGNATED UNDER § 5-402 OF THIS TITLE.~~  
11 ~~WHEN DECIDING WHETHER TO PROVIDE FINANCIAL ASSISTANCE FOR A BUSINESS~~  
12 ~~PROJECT, THE DEPARTMENT SHALL TAKE INTO CONSIDERATION WHETHER THE~~  
13 ~~PROJECT WILL BE LOCATED IN A FOCUS AREA OR AN ENTERPRISE ZONE AS~~  
14 ~~DESIGNATED UNDER § 5-402 OF THIS TITLE.~~

15 5-403.

16 (a) The Secretary may not designate any area an enterprise zone unless that  
17 area IS DESIGNATED AS A PRIORITY FUNDING AREA OR MEETS AN EXCEPTION  
18 UNDER § 5-7B-03 SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT ARTICLE  
19 AND satisfies at least one of the following requirements:

20 (1) The average rate of unemployment in the area, or within a  
21 reasonable proximity within that county to that area, for the most recent 18-month  
22 period for which data are available must be at least 150 percent of the average rate of  
23 unemployment in either the State of Maryland or the United States, whichever  
24 average rate is greater, during that same period;

25 (2) The population in the area or within a reasonable proximity within  
26 that county to that area is a low-income poverty area;

27 (3) At least 70 percent of the families living in the area or within a  
28 reasonable proximity within that county to that area have incomes that are less than  
29 an amount equal to 80 percent of the median family income within the political  
30 subdivision in which the area is located; or

31 (4) Population in the area or within a reasonable proximity within that  
32 county to that area decreased by 10 percent between the date of the most recent  
33 census and the date of the immediately preceding census, and the political  
34 subdivision can demonstrate to the Secretary's satisfaction that either chronic  
35 abandonment or demolition of property is occurring in that area or substantial  
36 property tax arrearages exist within that area.

1 (b) (1) The Secretary may establish by regulation any other requirements  
2 that the Secretary reasonably determines are necessary and appropriate to assure  
3 that the purposes of this subtitle are satisfied.

4 (2) Before considering data other than the most recent census for  
5 purposes of making a determination under subsection (a)(2) of this section, the  
6 Secretary shall adopt regulations specifying alternative data that is satisfactory to  
7 the Secretary.

8 (c) In determining if an area meets the requirements of this section the  
9 Secretary may consider data provided by the United States Bureau of the Census  
10 from the most recent census or any other reliable data which the Secretary  
11 determines to be acceptable for the purposes for which such data are used.

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

14 **Article 41 - Governor - Executive and Administrative Departments**

15 18-317.

16 (A) THERE IS A TASK FORCE TO STUDY THE MARYLAND ENTERPRISE ZONE  
17 PROGRAM.

18 (B) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:

19 (1) TWO MEMBERS OF THE HOUSE OF DELEGATES APPOINTED BY THE  
20 SPEAKER OF THE HOUSE;

21 (2) TWO MEMBERS OF THE SENATE OF MARYLAND APPOINTED BY THE  
22 PRESIDENT OF THE SENATE; AND

23 (3) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:

24 (I) ~~TWO REPRESENTATIVES~~ ONE REPRESENTATIVE FROM THE  
25 DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT;

26 (II) ~~TWO REPRESENTATIVES~~ ONE REPRESENTATIVE FROM THE  
27 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT;

28 (III) ~~TWO REPRESENTATIVES~~ ONE REPRESENTATIVE FROM THE  
29 DEPARTMENT OF LABOR, LICENSING, AND REGULATION;

30 (IV) ONE REPRESENTATIVE FROM THE DEPARTMENT OF  
31 ASSESSMENTS AND TAXATION;

32 (V) ONE REPRESENTATIVE FROM THE COMPTROLLER OF THE  
33 TREASURY;

34 (VI) ONE REPRESENTATIVE FROM THE OFFICE OF PLANNING; AND

1 (VII) FIVE LOCAL ECONOMIC DEVELOPMENT REPRESENTATIVES,  
2 INCLUDING THREE WHO REPRESENT MUNICIPAL GOVERNMENTS.

3 (C) THE GOVERNOR SHALL APPOINT THE CHAIRPERSON OF THE TASK FORCE.

4 (D) THE TASK FORCE SHALL STUDY FURTHER ENHANCEMENTS TO THE  
5 STATE'S ENTERPRISE ZONE PROGRAMS, INCLUDING:

6 (1) ALLOWING LOCAL LEGISLATIVE AUTHORITY TO GRANT REAL  
7 ESTATE CREDITS FOR CONVERTING VACANT COMMERCIAL PROPERTY TO  
8 RESIDENTIAL USE;

9 (2) THE FEASIBILITY OF STATE AGENCIES FAVORING ENTERPRISE  
10 ZONES IN THE DELIVERY OF SERVICES; AND

11 (3) EXAMINATION OF OTHER STATES' ENTERPRISE ZONE INCENTIVES.

12 (E) MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT COMPENSATION  
13 EXCEPT THAT THE MEMBERS MAY BE REIMBURSED FOR EXPENSES UNDER THE  
14 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

15 (F) THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, IN  
16 COOPERATION WITH OTHER APPROPRIATE STATE AND LOCAL UNITS, SHALL  
17 PROVIDE STAFF SUPPORT FOR THE TASK FORCE TO THE EXTENT POSSIBLE WITHIN  
18 EXISTING BUDGETED RESOURCES.

19 (G) THE TASK FORCE SHALL ISSUE A FINAL REPORT OF ITS FINDINGS AND  
20 RECOMMENDATIONS TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE  
21 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 1,  
22 2000.

23 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
24 take effect July 1, 2000. It shall remain effective for a period of 6 months and, at the  
25 end of December 31, 2000, with no further action required by the General Assembly,  
26 Section 2 of this Act shall be abrogated and of no further force and effect.

27 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in  
28 Section 3 of this Act, this Act shall take effect October 1, 2000.