
By: **Chairman, Economic Matters Committee (By Request - Departmental -
Business and Economic Development)**

Introduced and read first time: January 27, 2006

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business and Economic Development - Enterprise Zones - Expansion**

3 FOR the purpose of amending the provisions of the enterprise zones program to
4 provide that certain expansions of existing zones may not count towards the
5 maximum number of enterprise zones to be designated during certain periods;
6 modifying the period during which a certain number of enterprise zones may be
7 designated; and generally relating to the enterprise zones program.

8 BY repealing and reenacting, with amendments,
9 Article 83A - Department of Business and Economic Development
10 Section 5-402
11 Annotated Code of Maryland
12 (2003 Replacement Volume and 2005 Supplement)

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

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

16 5-402.

17 (a) Any political subdivision may apply to the Secretary for designation of an
18 area within that political subdivision as an enterprise zone, but if a county seeks to
19 designate an area within a municipal corporation as an enterprise zone, then the
20 governing body of the municipal corporation must first consent.

21 (b) Any county may apply to the Secretary on behalf of a municipal
22 corporation, with the consent of such municipal corporation, for designation of any
23 area within that municipal corporation as an enterprise zone.

24 (c) Two or more political subdivisions may apply jointly to the Secretary for
25 designation of an area as an enterprise zone which may be located astride their
26 common boundaries.

1 (d) The application shall be in the form and manner and contain such
2 information as the Secretary may, by regulation, determine, provided that the
3 application shall:

4 (1) Contain information sufficient for the Secretary to determine if the
5 criteria established in § 5-403 have been met;

6 (2) Be submitted on behalf of the political subdivision by its chief elected
7 officer, or, if none, by the governing body of the political subdivision;

8 (3) State whether the political subdivision has examined the feasibility
9 of creating educational or training opportunities for employers and employees of
10 business entities located or to be located in the proposed enterprise zone; and

11 (4) Set forth the standards with which a business entity must comply as
12 a precondition to its receiving the incentives and initiatives set forth in this subtitle.

13 (e) Within 60 days following any submission date, the Secretary may
14 designate one or more enterprise zones from among the applications submitted to the
15 Secretary on or before that submission date, provided, however, that the Secretary
16 may not designate more than 6 enterprise zones in any [12-month period]
17 CALENDAR YEAR and no county may receive more than 1 area designated as an
18 enterprise zone in any calendar year. The determination of the Secretary as to the
19 areas designated enterprise zones shall be final, except that, for any area not
20 designated an enterprise zone, a political subdivision may reapply at any time to the
21 Secretary for designation of that area as an enterprise zone.

22 (f) Any area that is designated an enterprise zone or an empowerment zone
23 under federal law shall automatically and without any additional action by the
24 political subdivision or the Secretary be designated an enterprise zone under this
25 section without regard to any limitation on the number of enterprise zones that may
26 be designated by the Secretary. However, the incentives and initiatives provided for in
27 this subtitle shall not be available to business entities located in an enterprise zone
28 designated under federal law unless the Secretary and the Board of Public Works
29 shall consent to the designation.

30 (g) An application by a political subdivision and the designation by the
31 Secretary of an area as an enterprise zone shall constitute the State approval that
32 may be required for designation as an enterprise zone under federal law.

33 (h) Before designating an enterprise zone, the Secretary shall consult with
34 and ask the advice of the appropriate individuals and advisors.

35 (i) (1) A political subdivision may apply to the Secretary for the expansion
36 of an existing enterprise zone in the same manner as the political subdivision would
37 apply for the designation of a new enterprise zone.

38 (2) The Secretary may grant an expansion of an enterprise zone into any
39 area that meets the requirements of § 5-403 of this subtitle.

1 (3) IF THE GEOGRAPHIC AREA OF A PROPOSED EXPANSION AREA DOES
2 NOT EXCEED 50% OF THE EXISTING GEOGRAPHIC AREA OF THE ENTERPRISE ZONE,
3 THE EXPANSION MAY NOT COUNT TOWARDS THE LIMITATIONS, PROVIDED UNDER
4 SUBSECTION (E) OF THIS SECTION, ON THE NUMBER OF ENTERPRISE ZONES THAT
5 THE SECRETARY MAY DESIGNATE IN A CALENDAR YEAR OR THAT A COUNTY MAY
6 RECEIVE IN A CALENDAR YEAR.

7 (j) (1) The Secretary may grant an extraordinary expansion of an enterprise
8 zone into any area that:

9 (i) Meets the requirements of § 5-403 of this subtitle; and

10 (ii) In the determination of the Secretary, has suffered a significant
11 loss of economic base.

12 (2) The extraordinary expansion of an enterprise zone may not count
13 towards the limitations, provided under subsection (e) of this section, on the number
14 of enterprise zones that the Secretary may designate in a [12-month period]
15 CALENDAR YEAR or that a county may receive in a calendar year.

16 (3) The Secretary may not grant more than one extraordinary expansion
17 of an enterprise zone throughout the State in any [12-month period] CALENDAR
18 YEAR.

19 (k) (1) A political subdivision may request the Secretary to designate all or
20 part of an enterprise zone as a focus area for the lesser of:

21 (i) 5 years; or

22 (ii) The remainder of the 10-year term of the applicable enterprise
23 zone.

24 (2) The request may be made on or before any submission date either at
25 the time the political subdivision applies for the designation of a new enterprise zone
26 or after an enterprise zone has been designated by the Secretary.

27 (3) The Secretary may grant the request if the area is located in an
28 enterprise zone designated by the Secretary and meets at least three of the following
29 criteria:

30 (i) The average rate of unemployment in the area, or within a
31 reasonable proximity to the area but within the same county, for the most recent
32 18-month period for which data are available is at least 150 percent of the average
33 rate of unemployment in either the State or the United States, whichever average
34 rate is greater during the same period;

35 (ii) The population in the area or within a reasonable proximity to
36 the area but within the same county has an incidence of poverty that is 150 percent of
37 the national average;

1 (iii) The crime rate in the area or within a reasonable proximity to
2 the area but within the same county is at least 150 percent of the crime rate in the
3 political subdivision in which the area is located;

4 (iv) The percentage of substandard housing in the area or within a
5 reasonable proximity to the area but within the same county is at least 200 percent of
6 the percentage of housing units in the State that are substandard, according to data
7 from the U.S. Bureau of the Census, or other State or federal government data
8 deemed appropriate by the Secretary; or

9 (v) The percentage of square footage of commercial property that is
10 vacant in the area or within a reasonable proximity of the area but within the same
11 county is at least 20 percent, according to data from the U.S. Bureau of the Census, or
12 other State or federal government data deemed appropriate by the Secretary.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
14 effect July 1, 2006.