

HB1289/183422/1

BY: Delegate Bates

AMENDMENTS TO HOUSE BILL 1289
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 7, after “Program;” insert “establishing that the certifying entity for the One Maryland Economic Development Tax Credit is the economic development unit of a certain qualified distressed county rather than the Secretary of Business and Economic Development;”; in line 23, strike “6-403(e)” and substitute “6-402, 6-403(a), (e).”; and in the same line, strike “6-404(c)” and substitute “6-404(a), (e).”.

AMENDMENT NO. 2

On page 2, after line 22, insert:

“6-402.

(a) (1) To qualify for a project tax credit or a start-up tax credit, a person shall be certified by the [Secretary] ECONOMIC DEVELOPMENT UNIT OF THE QUALIFIED DISTRESSED COUNTY IN WHICH THE PROJECT OR BUSINESS FACILITY IS LOCATED as meeting the requirements of this subtitle and as being eligible for the tax credit.

(2) [The Secretary] A COUNTY ECONOMIC DEVELOPMENT UNIT may not certify a person as a qualified business entity unless the person notifies the [Department] COUNTY ECONOMIC DEVELOPMENT UNIT of its intent to seek certification before hiring any qualified employees to fill the qualified positions necessary to satisfy the employment threshold under subsection (b)(2) of this section.

(b) To be eligible for a project tax credit or a start-up tax credit, a person shall:

(Over)

- (1) establish or expand a business facility that:
 - (i) is located in a qualified distressed county; and
 - (ii) 1. is located in a priority funding area under § 5-7B-02 of the State Finance and Procurement Article; or
 2. is eligible for funding outside of a priority funding area under § 5-7B-05 or § 5-7B-06 of the State Finance and Procurement Article;
- (2) during any 24-month period, create at least 25 qualified positions at the new or expanded business facility; and
- (3) be primarily engaged at the new or expanded business facility in any combination of:
 - (i) manufacturing or mining;
 - (ii) transportation or communications;
 - (iii) filmmaking, resort business, or recreational business;
 - (iv) agriculture, forestry, or fishing;
 - (v) research, development, or testing;
 - (vi) biotechnology;
 - (vii) computer programming, information technology, or other computer-related services;

(viii) central services for a business entity engaged in financial services, real estate services, or insurance services;

(ix) the operation of central administrative offices;

(x) the operation of a company headquarters other than the headquarters of a professional sports organization;

(xi) the operation of a public utility;

(xii) warehousing; or

(xiii) other business services.

(c) To be certified as a qualified business entity for a project tax credit or a start-up tax credit, a person shall submit to the [Secretary] COUNTY ECONOMIC DEVELOPMENT UNIT an application that specifies:

(1) the effective date of the start-up or expansion;

(2) the number of full-time employees before the start-up or expansion and the payroll of the existing employees;

(3) the number of qualified positions created and qualified employees hired and the payroll of the new qualified employees; and

(4) any other information that the Secretary requires by regulation.

(d) The [Secretary] COUNTY ECONOMIC DEVELOPMENT UNIT may require any information required under this section to be verified by an independent auditor that the qualified business entity selects.”;

and after line 23, insert:

“(a) (1) A qualified business entity may claim a project tax credit for the cost of an eligible economic development project in a qualified distressed county if the total eligible project cost for the eligible economic development project is at least \$500,000.

“(2) A qualified business entity is not entitled to a project tax credit for a cost incurred before notifying the [Department] **ECONOMIC DEVELOPMENT UNIT OF THE QUALIFIED DISTRESSED COUNTY IN WHICH THE PROJECT IS LOCATED** of its intent to seek certification as qualifying for the project tax credit.”.

On page 4, after line 18, insert:

“(a) (1) A qualified business entity that locates in a qualified distressed county may claim a start-up tax credit in the amount provided in subsection (b) of this section.

“(2) A qualified business entity is not entitled to a start-up tax credit for a cost incurred before notifying the [Department] **ECONOMIC DEVELOPMENT UNIT OF THE QUALIFIED DISTRESSED COUNTY IN WHICH THE ENTITY IS ESTABLISHING OR EXPANDING A BUSINESS FACILITY** of its intent to seek certification as qualifying for the start-up tax credit.”.