

# HOUSE BILL 1231

P1

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By: **Delegates McMillan, Cardin, and Serafini**

Introduced and read first time: February 8, 2013

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Aid – Business Transparency and Financial Disclosure Act**

3 FOR the purpose of requiring certain corporations that receive certain State subsidies  
4 of at least a certain amount to file a certain annual disclosure report with the  
5 granting body that provides the subsidy; requiring the disclosure report to  
6 contain certain information; requiring the disclosure report to be provided on or  
7 before a certain date; requiring a granting body to publish the disclosure report  
8 on its Web site on or before a certain date; defining certain terms; and generally  
9 relating to the filing of certain disclosure reports.

10 BY adding to

11 Article – State Finance and Procurement

12 Section 7–407

13 Annotated Code of Maryland

14 (2009 Replacement Volume and 2012 Supplement)

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

17 **Article – State Finance and Procurement**

18 **7–407.**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
20 **MEANINGS INDICATED.**

21 **(2) “CORPORATE PARENT” MEANS A PERSON, ASSOCIATION,**  
22 **CORPORATION, JOINT VENTURE, PARTNERSHIP, OR OTHER ENTITY THAT OWNS**  
23 **OR CONTROLS AT LEAST 50% OF A RECIPIENT CORPORATION.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(3) “FULL-TIME JOB” MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
2 **EMPLOYED BY A RECIPIENT CORPORATION FOR AT LEAST 35 HOURS PER WEEK.**

3           **(4) “GRANTING BODY” MEANS A UNIT OF STATE GOVERNMENT OR**  
4 **OTHER STATE ENTITY THAT PROVIDES A STATE SUBSIDY.**

5           **(5) (I) “NEW EMPLOYEE” MEANS A FULL-TIME EMPLOYEE**  
6 **WHO REPRESENTS A NET INCREASE IN THE NUMBER OF INDIVIDUALS**  
7 **EMPLOYED BY THE RECIPIENT CORPORATION IN THE STATE.**

8                       **(II) “NEW EMPLOYEE” DOES NOT INCLUDE AN EMPLOYEE**  
9 **WHO PERFORMS A JOB THAT WAS PREVIOUSLY PERFORMED BY ANOTHER**  
10 **EMPLOYEE OF THE RECIPIENT CORPORATION IF THAT JOB EXISTED FOR AT**  
11 **LEAST 6 MONTHS BEFORE HIRING THE NEW EMPLOYEE.**

12           **(6) “PART-TIME JOB” MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
13 **EMPLOYED BY A RECIPIENT CORPORATION FOR LESS THAN 35 HOURS PER**  
14 **WEEK.**

15           **(7) “RECIPIENT CORPORATION” MEANS A PERSON, ASSOCIATION,**  
16 **CORPORATION, JOINT VENTURE, PARTNERSHIP, OR OTHER ENTITY THAT**  
17 **RECEIVES A STATE SUBSIDY.**

18           **(8) (I) “STATE SUBSIDY” MEANS ANY EXPENDITURE OF PUBLIC**  
19 **FUNDS WITH A TOTAL VALUE OF AT LEAST \$25,000.**

20                       **(II) “STATE SUBSIDY” INCLUDES BONDS, GRANTS, LOANS,**  
21 **LOAN GUARANTEES, TAX INCREMENT FINANCING, FEE WAIVERS, LAND PRICE**  
22 **SUBSIDIES, MATCHING FUNDS, TAX ABATEMENTS, TAX EXEMPTIONS, AND TAX**  
23 **CREDITS.**

24           **(9) “SUBSIDY VALUE” MEANS THE FACE VALUE OF ALL STATE**  
25 **SUBSIDIES PROVIDED TO A RECIPIENT CORPORATION.**

26           **(10) “TEMPORARY JOB” MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
27 **HIRED FOR A SEASON OR FOR A LIMITED PERIOD OF TIME.**

28           **(B) (1) EACH RECIPIENT CORPORATION SHALL FILE A DISCLOSURE**  
29 **REPORT WITH THE GRANTING BODY.**

30                       **(2) THE GRANTING BODY SHALL PROVIDE THE DISCLOSURE**  
31 **REPORT FORM THAT INCLUDES THE FOLLOWING INFORMATION:**

1                   **(I) THE NAME, MAILING ADDRESSES, PHONE NUMBER, AND**  
2 **CHIEF OFFICER OF THE RECIPIENT CORPORATION;**

3                   **(II) THE RECIPIENT CORPORATION'S NORTH AMERICAN**  
4 **INDUSTRY CLASSIFICATION SYSTEM INDUSTRY CODE;**

5                   **(III) A SUMMARY OF THE PUBLIC PURPOSE THAT THE**  
6 **RECIPIENT CORPORATION PROVIDES;**

7                   **(IV) A SUMMARY OF THE ACTIVITY AND LOCATION WHERE**  
8 **THE ACTIVITY THAT GENERATES ELIGIBILITY FOR THE STATE SUBSIDY TAKES**  
9 **PLACE;**

10                   **(V) A SUMMARY OF THE NUMBER OF FULL-TIME,**  
11 **PART-TIME, AND TEMPORARY JOBS:**

12                               **1. REQUIRED TO BE CREATED BY THE TERMS OF THE**  
13 **STATE SUBSIDY; AND**

14                               **2. CREATED OR LOST AS OF DECEMBER 31 OF THE**  
15 **PREVIOUS YEAR;**

16                   **(VI) A SUMMARY OF THE COMPENSATION PLANS OF THE**  
17 **FOLLOWING INDIVIDUALS IF THE TOTAL COMPENSATION PLAN FOR THE**  
18 **INDIVIDUAL IS GREATER THAN \$100,000:**

19                               **1. THE PRINCIPAL EXECUTIVE OFFICERS OR ANY**  
20 **INDIVIDUAL ACTING IN THAT CAPACITY DURING THE YEAR;**

21                               **2. THE THREE HIGHEST PAID EXECUTIVE OFFICERS;**  
22 **AND**

23                               **3. TWO EXECUTIVE OFFICERS WHO WOULD HAVE**  
24 **MET THE REQUIREMENT IN ITEM 2 OF THIS SUBPARAGRAPH IF THE INDIVIDUAL**  
25 **WAS SERVING AS AN EXECUTIVE OFFICER AT THE END OF THE LAST COMPLETED**  
26 **FISCAL YEAR; AND**

27                   **(VII) ANY OTHER INFORMATION THE GRANTING BODY**  
28 **DETERMINES IS NECESSARY TO EVALUATE THE PURPOSE OF THE STATE**  
29 **SUBSIDY.**

30                   **(3) THE JOB SUMMARY REQUIRED UNDER PARAGRAPH (2)(V) OF**  
31 **THIS SUBSECTION SHALL INCLUDE:**

1                   **(I) THE TOTAL EMPLOYMENT IN THE STATE OF THE**  
2 **RECIPIENT'S CORPORATE PARENT FOR THE 2 PREVIOUS YEARS; AND**

3                   **(II) THE SALARY AND INSURANCE COVERAGE DETAILS FOR**  
4 **ANY JOBS CREATED.**

5                   **(4) THE DISCLOSURE REPORT SHALL INCLUDE A SUMMARY OF**  
6 **ANY INSTANCE DURING THE PREVIOUS CALENDAR YEAR IN WHICH THE**  
7 **RECIPIENT CORPORATION OR CORPORATE PARENT WAS DETERMINED BY A UNIT**  
8 **OF FEDERAL, STATE, OR LOCAL GOVERNMENT TO HAVE VIOLATED ANY**  
9 **FEDERAL, STATE, OR LOCAL LAW OR REGULATION.**

10                  **(5) THE CHIEF OFFICER OF THE RECIPIENT CORPORATION SHALL**  
11 **SIGN A CERTIFICATION AS TO THE ACCURACY OF THE DISCLOSURE REPORT.**

12                  **(6) ON OR BEFORE DECEMBER 31 OF EACH YEAR, A RECIPIENT**  
13 **CORPORATION SHALL FILE A DISCLOSURE REPORT FOR THE YEAR IF THE**  
14 **RECIPIENT CORPORATION RECEIVES A STATE SUBSIDY DURING THE YEAR.**

15                  **(c) (1) ON OR BEFORE APRIL 1 OF EACH YEAR, THE GRANTING BODY**  
16 **SHALL PUBLISH ON THE GRANTING BODY'S WEB SITE A COMPILATION OF THE**  
17 **DISCLOSURE REPORTS.**

18                  **(2) THE DISCLOSURE REPORTS SHALL BE MAINTAINED IN A**  
19 **SEARCHABLE DATABASE AND IN A SPREADSHEET FORM THAT CAN BE**  
20 **DOWNLOADED.**

21                  **(3) (I) THE GRANTING BODY SHALL DETERMINE IF THE**  
22 **RECIPIENT CORPORATION HAS MET THE REQUIREMENTS OF THE STATE**  
23 **SUBSIDY.**

24                               **(II) THE DISCLOSURE REPORT SHALL CONTAIN THE**  
25 **GRANTING BODY'S DETERMINATION.**

26                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2013.