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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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A BILL ENTITLED

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; requiring designated enterprise zones to be located in designated priority  
6 funding areas; establishing a Task Force to Study the Maryland Enterprise Zone  
7 Program; providing for the membership, duties, and staffing of the Task Force;  
8 requiring the Task Force to issue a report by a certain date; providing for the  
9 effective date and the termination of certain provisions of this Act; and generally  
10 relating to enterprise zones.

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

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

21 BY adding to  
22 Article 41 - Governor - Executive and Administrative Departments  
23 Section 18-317  
24 Annotated Code of Maryland  
25 (1997 Replacement Volume and 1999 Supplement)

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

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

2 5-105.

3       THE DEPARTMENT SHALL GIVE FUNDING PREFERENCE TO BUSINESS  
4 PROJECTS LOCATED IN A FOCUS AREA AS DESIGNATED UNDER § 5-402 OF THIS TITLE.  
5 5-403.

6       (a)       The Secretary may not designate any area an enterprise zone unless that  
7 area IS DESIGNATED AS A PRIORITY FUNDING AREA UNDER § 5-7B-03 OF THE STATE  
8 FINANCE AND PROCUREMENT ARTICLE AND satisfies at least one of the following  
9 requirements:

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

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

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

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

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

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

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

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

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

4 18-317.

5 (A) THERE IS A TASK FORCE TO STUDY THE MARYLAND ENTERPRISE ZONE  
6 PROGRAM.

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

8 (1) TWO MEMBERS OF THE HOUSE OF DELEGATES APPOINTED BY THE  
9 SPEAKER OF THE HOUSE;

10 (2) TWO MEMBERS OF THE SENATE OF MARYLAND APPOINTED BY THE  
11 PRESIDENT OF THE SENATE; AND

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

13 (I) TWO REPRESENTATIVES FROM THE DEPARTMENT OF  
14 BUSINESS AND ECONOMIC DEVELOPMENT;

15 (II) TWO REPRESENTATIVES FROM THE DEPARTMENT OF HOUSING  
16 AND COMMUNITY DEVELOPMENT;

17 (III) TWO REPRESENTATIVES FROM THE DEPARTMENT OF LABOR,  
18 LICENSING, AND REGULATION;

19 (IV) ONE REPRESENTATIVE FROM THE DEPARTMENT OF  
20 ASSESSMENTS AND TAXATION;

21 (V) ONE REPRESENTATIVE FROM THE COMPTROLLER OF THE  
22 TREASURY;

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

24 (VII) FIVE LOCAL ECONOMIC DEVELOPMENT REPRESENTATIVES.

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

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

28 (1) ALLOWING LOCAL LEGISLATIVE AUTHORITY TO GRANT REAL  
29 ESTATE CREDITS FOR CONVERTING VACANT COMMERCIAL PROPERTY TO  
30 RESIDENTIAL USE;

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

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

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

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

9     (G)     THE TASK FORCE SHALL ISSUE A FINAL REPORT OF ITS FINDINGS AND  
10 RECOMMENDATIONS TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE  
11 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 1,  
12 2000.

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

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