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

Introduced and read first time: February 6, 2003

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 19, 2003

CHAPTER _____

1 AN ACT concerning

2 **Business and Economic Development - Maryland Economic Development**
3 **Assistance Fund**

4 FOR the purpose of ~~altering the required meeting times of the Maryland Economic~~
5 ~~Development Assistance Authority~~; expanding the authorized uses of financial
6 assistance from the Maryland Economic Development Assistance Fund to
7 include development and carrying costs associated with certain costs that are
8 currently eligible; altering the requirements governing feasibility studies that
9 may be funded by the Fund; altering the requirements concerning investments
10 from the Fund; altering the requirements regarding eligible industry sectors
11 and projects carried out by local governments; defining a certain term; and
12 generally relating to financial assistance from the Maryland Economic
13 Development Assistance Fund.

14 BY renumbering
15 Article 83A - Department of Business and Economic Development
16 Section 5-1401(g) through (v), respectively
17 to be Section 5-1401(h) through (w), respectively
18 Annotated Code of Maryland
19 (1998 Replacement Volume and 2002 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article 83A - Department of Business and Economic Development
22 Section 5-1401(a) and 5-1403(f)
23 Annotated Code of Maryland

1 (1998 Replacement Volume and 2002 Supplement)

2 BY adding to

3 Article 83A - Department of Business and Economic Development

4 Section 5-1401(g)

5 Annotated Code of Maryland

6 (1998 Replacement Volume and 2002 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article 83A - Department of Business and Economic Development

9 Section ~~5-1403(f)~~; 5-1405(b) through (d); and 5-1410(d)

10 Annotated Code of Maryland

11 (1998 Replacement Volume and 2002 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 13 MARYLAND, That Section(s) 5-1401(g) through (v), respectively, of Article 83A -
 14 Department of Business and Economic Development of the Annotated Code of
 15 Maryland be renumbered to be Section(s) 5-1401(h) through (w), respectively.

16 ~~SECTION 1-2.~~ BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 17 MARYLAND, That the Laws of Maryland read as follows:

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

19 5-1401.

20 (a) In this subtitle the following words have the meanings indicated.

21 (G) "ASSOCIATED DEVELOPMENT AND CARRYING COSTS" MEANS COSTS
 22 ASSOCIATED WITH THE ACQUISITION AND MAINTENANCE OF AN ASSET, INCLUDING
 23 SETTLEMENT COSTS, INSURANCE, INTEREST, TAXES, GOVERNMENT FEES, UTILITIES,
 24 AND THE COSTS OF MANAGING AND SECURING THE ASSET.

25 5-1403.

26 (f) (1) The Authority shall meet as often as its duties require~~}, but no less~~
 27 ~~than quarterly}.~~

28 (2) The members of the Authority are subject to the provisions of the
 29 Maryland Public Ethics Law.

30 (3) Each member of the Authority appointed by the Governor may not
 31 receive compensation as a member of the Authority but is entitled to reimbursement
 32 for expenses under the Standard State Travel Regulations, as provided in the State
 33 budget.

1 5-1405.

2 (b) Financial assistance from the Fund may be used only to finance costs
3 incurred for:

4 (1) Acquisition or construction of a building or real estate, AND
5 ASSOCIATED DEVELOPMENT AND CARRYING COSTS;

6 (2) Acquisition, construction, or installation of machinery, equipment,
7 furnishings, fixtures, leasehold improvements, site improvements, or infrastructure
8 improvements, including rail line enhancements on or to the site of an economic
9 development project, AND ASSOCIATED DEVELOPMENT AND CARRYING COSTS;

10 (3) Working capital for significant strategic economic development
11 opportunities, arts and entertainment enterprises, or arts and entertainment
12 projects;

13 (4) Redevelopment of qualified brownfields sites;

14 (5) (i) Except as provided in item (ii) of this paragraph, up to 50% of
15 the costs of renovations, construction, or purchase of real property, fixtures, or
16 equipment related to a child care facility, but not for refinancing existing loans,
17 working capital, supplies, or inventory; or

18 (ii) A business that has received or will receive a day care loan
19 insured by the Maryland Industrial Development Financing Authority; such
20 businesses shall be limited to financial assistance from the Fund of not more than
21 20% of the costs described in item (i) of this paragraph;

22 (6) If [incurred by a local government] SUPPORTED BY A RESOLUTION
23 ADOPTED BY THE GOVERNING BODY OF THE JURISDICTION IN WHICH A PROJECT
24 MAY BE LOCATED, costs of feasibility studies; and

25 (7) Up to 50% of the costs of preparing a county's or municipality's
26 strategy or plan for economic development, not to exceed a total of \$50,000 in a 3-year
27 period.

28 (c) (1) Financial assistance from the Fund:

29 (i) May not exceed the lesser of \$10,000,000 or 20% of the Fund
30 balance;

31 (ii) Except as provided in item (iii) of this paragraph, may not
32 exceed 70% of the total costs of the project being financed;

33 (iii) May constitute 100% of the total costs of the project being
34 financed if:

35 1. The recipient is the Maryland Economic Development
36 Corporation; or

1 PROJECT, must use the requested financial assistance for a project in an eligible
2 industry sector;

3 (ii) Intends to use the requested financial assistance for a project
4 that has a strong potential for expanding or retaining employment opportunities in
5 the State; and

6 (iii) Submits to the Department an application containing any
7 information the Department or the Authority deems necessary in evaluating the
8 request for financial assistance; or

9 (2) A local economic development fund that meets the criteria set forth in
10 § 5-1407 of this subtitle.

11 5-1410.

12 (d) The provisions of this section do not apply to financial assistance to a local
13 government that uses the financial assistance provided under this subtitle to carry
14 out a project that [does not benefit a particular private sector entity] THE
15 DEPARTMENT DEEMS TO BE A LOCAL ECONOMIC DEVELOPMENT PROJECT.

16 SECTION ~~2-3.~~ AND BE IT FURTHER ENACTED, That this Act shall take
17 effect July 1, 2003.