

HOUSE BILL 839

Unofficial Copy
C8

2003 Regular Session
3r1529
CF 3r1826

By: **Delegates Jones, Anderson, Barkley, Barve, Benson, Bobo, Burns,
Carter, C. Davis, Goldwater, Gutierrez, Howard, Kaiser, Lee, Madaleno,
Marriott, McHale, Patterson, Quinter, Ramirez, Stern, F. Turner, and
V. Turner**

Introduced and read first time: February 7, 2003
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development and Fiscal Accountability Act**

3 FOR the purpose of requiring the State Department of Assessments and Taxation to
4 submit an annual Unified Property Tax Exemption and Credit Report on or
5 before a certain date of each year; specifying the contents of the property tax
6 report; requiring the State Department of Assessments and Taxation to publish
7 the property tax report in both written and electronic format; requiring the
8 Department of Business and Economic Development to submit an annual
9 Unified Economic Development Budget Report on or before a certain date of
10 each year; specifying the contents of the report; requiring a granting body to
11 submit Annual Development Subsidy Reports on or before a certain date of each
12 year; specifying the contents of the annual reports; requiring the Department of
13 Business and Economic Development to publish the economic development
14 report and the annual reports in both written and electronic format; providing
15 an exception to certain tax information confidentiality requirements; requiring
16 all State agencies, local jurisdictions, granting bodies, and subsidy recipients to
17 cooperate and assist in the preparation of certain reports; specifying certain
18 penalties; defining certain terms; and generally relating to the Unified Property
19 Tax Exemption and Credit Report, the Unified Economic Development Budget
20 Report, and the Annual Development Subsidy Reports.

21 BY adding to

22 Article - Tax - Property
23 Section 2-301 through 2-305, inclusive, to be under the new subtitle "Subtitle 3.
24 Unified Property Tax Exemption and Credit Report"
25 Annotated Code of Maryland
26 (2001 Replacement Volume and 2002 Supplement)

27 BY adding to

28 Article 83A - Department of Business and Economic Development
29 Section 7-101 through 7-106, inclusive, to be under the new title "Title 7.

1 Unified Economic Development Budget Report and Annual Development
2 Subsidy Reports"
3 Annotated Code of Maryland
4 (1998 Replacement Volume and 2002 Supplement)

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

7 **Article - Tax - Property**

8 SUBTITLE 3. UNIFIED PROPERTY TAX EXEMPTION AND CREDIT REPORT.

9 2-301.

10 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST
13 \$25,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC
14 DEVELOPMENT WITHIN THE STATE.

15 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

16 (I) A BOND;

17 (II) A GRANT;

18 (III) A LOAN OR LOAN GUARANTEE;

19 (IV) AN ENTERPRISE OR EMPOWERMENT ZONE;

20 (V) TAX INCREMENT FINANCING;

21 (VI) A FEE WAIVER;

22 (VII) A LAND PRICE SUBSIDY;

23 (VIII) MATCHING FUNDS; AND

24 (IX) A TAX ABATEMENT, EXEMPTION, OR CREDIT.

25 (C) "PROPERTY TAX REPORT" MEANS THE UNIFIED PROPERTY TAX
26 EXEMPTION AND CREDIT REPORT.

27 2-302.

28 (A) THE DEPARTMENT SHALL SUBMIT AN ANNUAL UNIFIED PROPERTY TAX
29 EXEMPTION AND CREDIT REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE
30 DECEMBER 31 OF EACH YEAR, IN ACCORDANCE WITH § 2-1246 OF THE STATE
31 GOVERNMENT ARTICLE.

1 (B) THE PROPERTY TAX REPORT SHALL CONTAIN:

2 (1) A LISTING OF ALL PROPERTY TAX EXEMPTIONS OR CREDITS FOR THE
3 PREVIOUS FISCAL YEAR THAT ARE DEVELOPMENT SUBSIDIES, INCLUDING:

4 (I) THE NAME OF THE PROPERTY OWNER;

5 (II) THE ADDRESS OF THE PROPERTY;

6 (III) THE STARTING AND ENDING DATES FOR THE PROPERTY TAX
7 EXEMPTION OR CREDIT;

8 (IV) THE SCHEDULE OF THE PROPERTY TAX EXEMPTION OR
9 CREDIT;

10 (V) EACH PROPERTY TAX EXEMPTION OR CREDIT FOR THE
11 PROPERTY; AND

12 (VI) THE AMOUNT OF PROPERTY TAX REVENUE NOT COLLECTED BY
13 THE TAXING AUTHORITY AS A RESULT OF THE PROPERTY TAX EXEMPTION OR
14 CREDIT; AND

15 (2) A TOTAL OF THE PROPERTY TAX REVENUE NOT PAID TO THE STATE
16 AND LOCAL JURISDICTIONS IN THE PREVIOUS FISCAL YEAR BECAUSE OF A
17 PROPERTY TAX EXEMPTION OR CREDIT THAT IS A DEVELOPMENT SUBSIDY.

18 2-303.

19 THE DEPARTMENT SHALL PUBLISH THE PROPERTY TAX REPORT IN BOTH
20 WRITTEN AND ELECTRONIC FORM AND SHALL POST THE PROPERTY TAX REPORT ON
21 THE DEPARTMENT'S WORLD WIDE WEBSITE.

22 2-304.

23 NOTWITHSTANDING § 1-301 OF THIS ARTICLE, INFORMATION CONTAINED IN
24 THE PROPERTY TAX REPORT SHALL BE CONSIDERED PUBLIC INFORMATION AND IS
25 NOT A VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.
26 2-305.

27 (A) ALL STATE AGENCIES AND LOCAL JURISDICTIONS SHALL COOPERATE
28 WITH AND ASSIST THE DEPARTMENT IN THE PREPARATION OF THE PROPERTY TAX
29 REPORT.

30 (B) IF A STATE AGENCY OR LOCAL JURISDICTION FAILS TO FULFILL THE
31 REQUIREMENTS OF THIS SUBTITLE, THE DEPARTMENT SHALL NOTIFY THE
32 COMPTROLLER, WHO SHALL WITHHOLD PAYMENT OF ALL DEVELOPMENT SUBSIDIES
33 TO THE AGENCY OR JURISDICTION UNTIL THE AGENCY OR JURISDICTION COMPLIES
34 WITH THE REQUIREMENTS OF THIS SUBTITLE.

Article 83A - Department of Business and Economic DevelopmentTITLE 7. UNIFIED ECONOMIC DEVELOPMENT BUDGET REPORT AND ANNUAL
DEVELOPMENT SUBSIDY REPORTS.

7-101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "ANNUAL REPORT" MEANS AN ANNUAL DEVELOPMENT SUBSIDY REPORT.

(C) "CORPORATE PARENT" MEANS AN ENTITY THAT OWNS OR CONTROLS 50%
OR MORE OF A SUBSIDY RECIPIENT.(D) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST
\$25,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC
DEVELOPMENT WITHIN THE STATE.

(2) "DEVELOPMENT SUBSIDY" INCLUDES:

(I) A BOND;

(II) A GRANT;

(III) A LOAN OR LOAN GUARANTEE;

(IV) AN ENTERPRISE OR EMPOWERMENT ZONE;

(V) TAX INCREMENT FINANCING;

(VI) A FEE WAIVER;

(VII) A LAND PRICE SUBSIDY;

(VIII) MATCHING FUNDS; AND

(IX) A TAX ABATEMENT, EXEMPTION, OR CREDIT.

(E) "ECONOMIC DEVELOPMENT REPORT" MEANS THE UNIFIED ECONOMIC
DEVELOPMENT BUDGET REPORT.(F) "FULL-TIME POSITION" MEANS A JOB WHERE AN INDIVIDUAL IS
EMPLOYED BY A SUBSIDY RECIPIENT FOR AT LEAST 35 HOURS PER WEEK.(G) "GRANTING BODY" MEANS A STATE AGENCY OR LOCAL JURISDICTION
THAT PROVIDES A DEVELOPMENT SUBSIDY.(H) "PART-TIME POSITION" MEANS A JOB WHERE AN INDIVIDUAL IS
EMPLOYED BY A SUBSIDY RECIPIENT FOR LESS THAN 35 HOURS PER WEEK.

1 (I) "PROJECT SITE" MEANS THE SITE OF A PROJECT FOR WHICH A
2 DEVELOPMENT SUBSIDY IS PROVIDED.

3 (J) "SUBSIDY RECIPIENT " MEANS AN INDIVIDUAL OR ENTITY THAT RECEIVES
4 A DEVELOPMENT SUBSIDY.

5 (K) "TEMPORARY POSITION" MEANS A JOB IN WHICH AN INDIVIDUAL IS HIRED
6 BY A SUBSIDY RECIPIENT FOR A SEASON OR TERM OF LESS THAN A YEAR.

7 7-102.

8 (A) THE DEPARTMENT SHALL SUBMIT AN ANNUAL UNIFIED ECONOMIC
9 DEVELOPMENT BUDGET REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE
10 DECEMBER 31 OF EACH YEAR, IN ACCORDANCE WITH § 2-1246 OF THE STATE
11 GOVERNMENT ARTICLE.

12 (B) THE ECONOMIC DEVELOPMENT REPORT SHALL CONTAIN A LISTING OF
13 ALL TYPES OF EXPENDITURES MADE BY THE STATE FOR ECONOMIC DEVELOPMENT
14 PURPOSES DURING THE PRIOR FISCAL YEAR, INCLUDING:

15 (1) THE AMOUNT OF UNCOLLECTED STATE TAX REVENUES RESULTING
16 FROM EVERY CORPORATE OR OTHER BUSINESS TAX CREDIT, ABATEMENT,
17 EXEMPTION, AND REDUCTION PROVIDED BY THE STATE OR POLITICAL SUBDIVISION
18 OF THE STATE, INCLUDING:

19 (I) GROSS RECEIPTS TAX;

20 (II) INCOME TAX;

21 (III) SALES AND USE TAX;

22 (IV) EXCISE TAX;

23 (V) PROPERTY TAX;

24 (VI) UTILITY TAX; AND

25 (VII) INVENTORY TAX;

26 (2) THE NAME OF EACH CORPORATE OR OTHER BUSINESS TAXPAYER
27 WHO CLAIMED A TAX CREDIT, ABATEMENT, EXEMPTION, OR REDUCTION WORTH
28 \$5,000 OR MORE AND THE DOLLAR AMOUNT RECEIVED BY THE TAXPAYER;

29 (3) THE NUMBER OF CORPORATE OR OTHER BUSINESS TAXPAYERS WHO
30 CLAIMED A TAX CREDIT, ABATEMENT, EXEMPTION, OR REDUCTION WORTH LESS
31 THAN \$5,000 AND A SUM OF THE DOLLAR AMOUNT RECEIVED BY ALL SUCH
32 TAXPAYERS; AND

33 (4) ALL STATE APPROPRIATED EXPENDITURES FOR ECONOMIC
34 DEVELOPMENT, WITH LINE ITEM BUDGETS FOR EVERY STATE-FUNDED ENTITY OR

1 PROGRAM CONCERNED WITH ECONOMIC DEVELOPMENT, INCLUDING UNIVERSITY
2 RESEARCH PROGRAMS AND VOCATIONAL OR JOB-SKILLS TRAINING PROGRAMS.

3 7-103.

4 (A) A GRANTING BODY SHALL FILE AN ANNUAL DEVELOPMENT SUBSIDY
5 REPORT WITH THE DEPARTMENT ON OR BEFORE FEBRUARY 1 OF EACH YEAR FOR
6 EACH PROJECT FOR WHICH A DEVELOPMENT SUBSIDY WAS GRANTED.

7 (B) THE REPORT SHALL COVER THE PREVIOUS FISCAL YEAR AND SHALL
8 CONTAIN:

9 (1) THE NAME, ADDRESS, AND PHONE NUMBER OF THE SUBSIDY
10 RECIPIENT;

11 (2) A SUMMARY OF THE NUMBER OF JOBS CREATED OR LOST, BROKEN
12 DOWN BY FULL-TIME POSITIONS, PART-TIME POSITIONS, AND TEMPORARY
13 POSITIONS;

14 (3) A SUMMARY OF THE AVERAGE HOURLY WAGE PAID TO ALL CURRENT
15 AND NEW EMPLOYEES AT A PROJECT SITE, BROKEN DOWN BY FULL-TIME
16 POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS AND BY THE
17 FOLLOWING WAGE GROUPS:

18 (I) \$6.00 OR LESS PER HOUR;

19 (II) \$6.01 TO \$7.00 PER HOUR;

20 (III) \$7.01 TO \$8.00 PER HOUR;

21 (IV) \$8.01 TO \$9.00 PER HOUR;

22 (V) \$9.01 TO \$10.00 PER HOUR;

23 (VI) \$10.01 TO \$11.00 PER HOUR;

24 (VII) \$11.01 TO \$12.00 PER HOUR;

25 (VIII) \$12.01 TO \$13.00 PER HOUR;

26 (IX) \$13.01 TO \$14.00 PER HOUR; AND

27 (X) \$14.01 OR MORE PER HOUR;

28 (4) THE TYPE AND AMOUNT OF HEALTH CARE COVERAGE PROVIDED TO
29 AN EMPLOYEE AT A PROJECT SITE, INCLUDING ANY COST PAID BY THE EMPLOYEE;

30 (5) A COMPARISON OF THE TOTAL EMPLOYMENT IN THE STATE BY THE
31 SUBSIDY RECIPIENT ON THE DATE OF THE RECIPIENT'S APPLICATION FOR THE
32 DEVELOPMENT SUBSIDY AND AT THE END OF THE FISCAL YEAR COVERED BY THE

1 ANNUAL REPORT, BROKEN DOWN BY FULL-TIME POSITIONS, PART-TIME POSITIONS,
2 AND TEMPORARY POSITIONS;

3 (6) A STATEMENT AS TO WHETHER THE USE OF THE DEVELOPMENT
4 SUBSIDY DURING THE PREVIOUS FISCAL YEAR HAS REDUCED EMPLOYMENT AT ANY
5 OTHER SITE CONTROLLED BY THE SUBSIDY RECIPIENT OR ITS CORPORATE PARENT,
6 IN OR OUT OF THE STATE AS A RESULT OF AUTOMATION, MERGER, ACQUISITION,
7 CORPORATE RESTRUCTURING, OR OTHER BUSINESS ACTIVITY;

8 (7) A CERTIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF
9 THE SUBSIDY RECIPIENT THAT THE INFORMATION PROVIDED BY THE SUBSIDY
10 RECIPIENT TO THE GRANTING BODY FOR USE IN THE ANNUAL REPORT IS COMPLETE
11 AND ACCURATE; AND

12 (8) A STATEMENT BY THE GRANTING BODY AS TO WHETHER:

13 (I) THE SUBSIDY RECIPIENT IS IN COMPLIANCE WITH ITS JOB
14 CREATION AND WAGE AND BENEFIT GOALS; AND

15 (II) THE CORPORATE PARENT IS IN COMPLIANCE WITH ITS STATE
16 EMPLOYMENT REQUIREMENT.

17 (C) A GRANTING BODY SHALL FILE AN ANNUAL REPORT FOR EACH SUBSIDY
18 RECIPIENT FOR THE DURATION OF THE DEVELOPMENT SUBSIDY OR 5 YEARS,
19 WHICHEVER IS GREATER.

20 7-104.

21 THE DEPARTMENT SHALL PUBLISH THE ECONOMIC DEVELOPMENT REPORT
22 AND THE ANNUAL REPORTS IN BOTH WRITTEN AND ELECTRONIC FORM AND SHALL
23 POST THE REPORTS ON THE DEPARTMENT'S WORLD WIDE WEBSITE.

24 7-105.

25 NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL ARTICLE, INFORMATION
26 CONTAINED IN THE ECONOMIC DEVELOPMENT REPORT AND THE ANNUAL REPORTS
27 SHALL BE CONSIDERED PUBLIC INFORMATION AND IS NOT A VIOLATION OF THE
28 PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.

29 7-106.

30 (A) (1) ALL STATE AGENCIES, LOCAL JURISDICTIONS, SUBSIDY RECIPIENTS,
31 AND CORPORATE PARENTS SHALL COOPERATE WITH AND ASSIST THE DEPARTMENT
32 AND A GRANTING BODY IN THE PREPARATION OF THE ECONOMIC DEVELOPMENT
33 REPORT AND THE ANNUAL REPORT.

34 (2) THE DEPARTMENT AND A GRANTING BODY SHALL HAVE
35 REASONABLE ACCESS TO THE PROJECT SITE AND RECORDS OF A SUBSIDY RECIPIENT
36 IN ORDER TO MONITOR THE PROJECT.

1 (B) IF A STATE AGENCY OR LOCAL JURISDICTION FAILS TO FULFILL THE
2 REQUIREMENTS OF THIS TITLE, THE DEPARTMENT SHALL NOTIFY THE
3 COMPTROLLER, WHO SHALL WITHHOLD PAYMENT OF ALL DEVELOPMENT SUBSIDIES
4 TO THE AGENCY OR JURISDICTION UNTIL THE AGENCY OR JURISDICTION COMPLIES
5 WITH THE REQUIREMENTS OF THIS TITLE.

6 (C) A SUBSIDY RECIPIENT WHO FAILS TO FULFILL THE REQUIREMENTS OF
7 THIS TITLE SHALL BE SUBJECT TO A FINE OF \$500 PER DAY FOR EACH DAY THAT THE
8 SUBSIDY RECIPIENT DOES NOT COMPLY WITH THIS TITLE.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2003.