

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

House Bill 1079  
Economic Matters

(Calvert County Delegation)

Finance

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**Calvert County - Economic Development Incentive Fund**

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This bill authorizes the Calvert County Commissioners to establish, by ordinance, an Economic Development Incentive Fund to offer direct loans and grants to applicants that: (1) plan to establish new operations or facilities in Calvert County or significantly expand existing operations or facilities in Calvert County; (2) create at least 25 new full-time or full-time equivalent jobs in Calvert County; (3) make a capital investment of at least \$1 million or remain in Calvert County for at least five years; and (4) request funds in a manner consistent with the Calvert County comprehensive plan. The bill also authorizes the county commissioners to establish guidelines for the administration of the fund and to administer the fund.

The bill is effective July 1, 2003.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Calvert County expenditures would increase as loans and grants are made from the Economic Development Incentive Fund. Depending on the extent that new businesses locate in the county, as a result of the bill, tax revenues would increase.

**Small Business Effect:** Meaningful. To the extent that small businesses receive direct loans and grants to start or expand businesses in Calvert County, those small businesses would be positively impacted.

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## Analysis

**Bill Summary:** Applicants for a direct loan or grant from the Economic Development Incentive Fund must petition the Director of the Calvert County Department of Economic Development. The director is required to present an applicant's request to the Calvert County administrator and the Calvert County attorney for review. The director, after review by the county administrator and the county attorney, must present the applicant's request to the Calvert County Commissioners and coordinate a presentation by the applicant to the board. The Calvert County Commissioners have sole discretion to deny or award a direct loan or grant to an applicant.

**Current Law:** The Calvert County Commissioners created the Economic Development Incentive Fund in fiscal 2002.

**Background:** Calvert County advises that in fiscal 2002 \$150,000 in county funds are placed in the Economic Development Incentive Fund, but that no loans or grants have been expended. Calvert County has budgeted an additional \$150,000 in county funds in the county's fiscal 2003 budget to be placed in the Economic Development Incentive Fund, but this money has not been transferred to the fund.

**Local Fiscal Effect:** Calvert County expenditures would increase as loans and grants are made to program recipients. Additionally, Calvert County expenditures would increase minimally to administer the program, but it is assumed that these costs are absorbable within existing resources. Depending on the extent that new businesses locate in the county, tax revenues would increase.

**Additional Comments:** Chapter 444 of 1996 established the Economic Development Loan Fund which is administered by the Calvert County Industrial Park Authority.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Calvert County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 10, 2003  
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Analysis by: Christopher J. Kelter

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510