

HOUSE BILL 1018

Unofficial Copy
C8
HB 839/03 - ECM

2004 Regular Session
4r1616

By: **Delegates Jones, Anderson, Barkley, Benson, Bobo, Bozman, Burns, Cane, Cardin, Carter, G. Clagett, Conroy, C. Davis, Feldman, Franchot, Frush, Gaines, Goldwater, Gutierrez, Harrison, Haynes, Healey, Heller, Hixson, Howard, Hubbard, Kaiser, Kelley, Kirk, Krysiak, Lee, Madaleno, Malone, Marriott, McHale, McIntosh, Menes, Minnick, Moe, Montgomery, Morhaim, Murray, Nathan-Pulliam, Oaks, Paige, Parker, Pendergrass, Ramirez, Rosenberg, Sophocleus, Taylor, Trueschler, F. Turner, V. Turner, Vaughn, and Weir**

Introduced and read first time: February 12, 2004
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, granting bodies, and subsidy recipients to cooperate and
17 assist in the preparation of certain reports; specifying certain penalties; defining
18 certain terms; and generally relating to the Unified Property Tax Exemption
19 and Credit Report, the Unified Economic Development Budget Report, and the
20 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 2003 Supplement)

1 BY adding to
2 Article 83A - Department of Business and Economic Development
3 Section 7-101 through 7-106, inclusive, to be under the new title "Title 7.
4 Unified Economic Development Budget Report and Annual Development
5 Subsidy Reports"
6 Annotated Code of Maryland
7 (2003 Replacement Volume)

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

10 **Article - Tax - Property**

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

12 2-301.

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
14 INDICATED.

15 (B) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST
16 \$25,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC
17 DEVELOPMENT WITHIN THE STATE.

18 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

19 (I) A BOND;

20 (II) A GRANT;

21 (III) A LOAN OR LOAN GUARANTEE;

22 (IV) AN ENTERPRISE OR EMPOWERMENT ZONE;

23 (V) TAX INCREMENT FINANCING;

24 (VI) A FEE WAIVER;

25 (VII) A LAND PRICE SUBSIDY;

26 (VIII) MATCHING FUNDS; AND

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

28 (C) "PROPERTY TAX REPORT" MEANS THE UNIFIED PROPERTY TAX
29 EXEMPTION AND CREDIT REPORT.

1 2-302.

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

6 (B) THE PROPERTY TAX REPORT SHALL CONTAIN:

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

9 (I) THE NAME OF THE PROPERTY OWNER;

10 (II) THE ADDRESS OF THE PROPERTY;

11 (III) THE STARTING AND ENDING DATES FOR THE PROPERTY TAX
12 EXEMPTION OR CREDIT;

13 (IV) THE SCHEDULE OF THE PROPERTY TAX EXEMPTION OR
14 CREDIT;

15 (V) EACH PROPERTY TAX EXEMPTION OR CREDIT FOR THE
16 PROPERTY; AND

17 (VI) THE AMOUNT OF PROPERTY TAX REVENUE NOT COLLECTED BY
18 THE TAXING AUTHORITY AS A RESULT OF THE PROPERTY TAX EXEMPTION OR
19 CREDIT; AND

20 (2) A TOTAL OF THE PROPERTY TAX REVENUE NOT PAID TO THE STATE
21 IN THE PREVIOUS FISCAL YEAR BECAUSE OF A PROPERTY TAX EXEMPTION OR
22 CREDIT THAT IS A DEVELOPMENT SUBSIDY.

23 2-303.

24 THE DEPARTMENT SHALL PUBLISH THE PROPERTY TAX REPORT IN BOTH
25 WRITTEN AND ELECTRONIC FORM AND SHALL POST THE PROPERTY TAX REPORT ON
26 THE DEPARTMENT'S WEBSITE.

27 2-304.

28 NOTWITHSTANDING § 1-301 OF THIS ARTICLE, INFORMATION CONTAINED IN
29 THE PROPERTY TAX REPORT SHALL BE CONSIDERED PUBLIC INFORMATION AND IS
30 NOT A VIOLATION OF THE PROHIBITION ON THE DISCLOSURE OF TAX INFORMATION.
31 2-305.

32 (A) ALL STATE AGENCIES SHALL COOPERATE WITH AND ASSIST THE
33 DEPARTMENT IN THE PREPARATION OF THE PROPERTY TAX REPORT.

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

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

6 TITLE 7. UNIFIED ECONOMIC DEVELOPMENT BUDGET REPORT AND ANNUAL
7 DEVELOPMENT SUBSIDY REPORTS.

8 7-101.

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

10 (B) "ANNUAL REPORTS" MEANS ANNUAL DEVELOPMENT SUBSIDY REPORTS.

11 (C) "CORPORATE PARENT" MEANS AN ENTITY THAT OWNS OR CONTROLS 50%
12 OR MORE OF A SUBSIDY RECIPIENT.

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

16 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

17 (I) A BOND;

18 (II) A GRANT;

19 (III) A LOAN OR LOAN GUARANTEE;

20 (IV) AN ENTERPRISE OR EMPOWERMENT ZONE;

21 (V) TAX INCREMENT FINANCING;

22 (VI) A FEE WAIVER;

23 (VII) A LAND PRICE SUBSIDY;

24 (VIII) MATCHING FUNDS; AND

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

26 (E) "ECONOMIC DEVELOPMENT REPORT" MEANS THE UNIFIED ECONOMIC
27 DEVELOPMENT BUDGET REPORT.

28 (F) "FULL-TIME POSITION" MEANS A JOB WHERE AN INDIVIDUAL IS
29 EMPLOYED BY A SUBSIDY RECIPIENT FOR AT LEAST 35 HOURS PER WEEK.

30 (G) "GRANTING BODY" MEANS A STATE AGENCY THAT PROVIDES A
31 DEVELOPMENT SUBSIDY.

1 (H) "PART-TIME POSITION" MEANS A JOB WHERE AN INDIVIDUAL IS
2 EMPLOYED BY A SUBSIDY RECIPIENT FOR LESS THAN 35 HOURS PER WEEK.

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

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

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

9 7-102.

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

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

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

20 (I) GROSS RECEIPTS TAX;

21 (II) INCOME TAX;

22 (III) SALES AND USE TAX;

23 (IV) EXCISE TAX;

24 (V) PROPERTY TAX;

25 (VI) UTILITY TAX; AND

26 (VII) INVENTORY TAX;

27 (2) THE NAME OF EACH CORPORATE OR OTHER BUSINESS TAXPAYER
28 WHO CLAIMED A TAX CREDIT, ABATEMENT, EXEMPTION, OR REDUCTION WORTH
29 \$5,000 OR MORE AND THE DOLLAR AMOUNT RECEIVED BY THE TAXPAYER;

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

1 (4) ALL STATE APPROPRIATED EXPENDITURES FOR ECONOMIC
2 DEVELOPMENT, WITH LINE ITEM BUDGETS FOR EVERY STATE-FUNDED ENTITY OR
3 PROGRAM CONCERNED WITH ECONOMIC DEVELOPMENT, INCLUDING UNIVERSITY
4 RESEARCH PROGRAMS AND VOCATIONAL OR JOB-SKILLS TRAINING PROGRAMS.

5 7-103.

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

9 (B) THE REPORT SHALL COVER THE PREVIOUS FISCAL YEAR AND SHALL
10 CONTAIN:

11 (1) THE NAME, ADDRESS, AND PHONE NUMBER OF THE SUBSIDY
12 RECIPIENT;

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

15 (3) THE AVERAGE HOURLY WAGE PAID TO ALL CURRENT AND NEW
16 EMPLOYEES AT A PROJECT SITE IN WAGE GROUPS OF 1-DOLLAR INCREMENTS
17 BEGINNING AT A MINIMUM WAGE THROUGH \$14 OR MORE PER HOUR, BROKEN DOWN
18 BY FULL-TIME POSITIONS AND TEMPORARY POSITIONS;

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

21 (5) A COMPARISON OF THE TOTAL EMPLOYMENT IN THE STATE BY THE
22 SUBSIDY RECIPIENT ON THE DATE OF THE RECIPIENT'S APPLICATION FOR THE
23 DEVELOPMENT SUBSIDY AND AT THE END OF THE FISCAL YEAR COVERED BY THE
24 ANNUAL REPORT, BROKEN DOWN BY FULL-TIME POSITIONS, PART-TIME POSITIONS,
25 AND TEMPORARY POSITIONS;

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

31 (7) A CERTIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF
32 THE SUBSIDY RECIPIENT THAT THE INFORMATION PROVIDED BY THE SUBSIDY
33 RECIPIENT TO THE GRANTING BODY FOR USE IN THE ANNUAL REPORT IS COMPLETE
34 AND ACCURATE; AND

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

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

1 (II) THE CORPORATE PARENT IS IN COMPLIANCE WITH ITS STATE
2 EMPLOYMENT REQUIREMENT.

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

6 7-104.

7 THE DEPARTMENT SHALL PUBLISH THE ECONOMIC DEVELOPMENT REPORT
8 AND THE ANNUAL REPORTS IN BOTH WRITTEN AND ELECTRONIC FORM AND SHALL
9 POST THE REPORTS ON THE DEPARTMENT'S WEBSITE.

10 7-105.

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

15 7-106.

16 (A) (1) ALL STATE AGENCIES, SUBSIDY RECIPIENTS, AND CORPORATE
17 PARENTS SHALL COOPERATE WITH AND ASSIST THE DEPARTMENT AND A GRANTING
18 BODY IN THE PREPARATION OF THE ECONOMIC DEVELOPMENT REPORT AND THE
19 ANNUAL REPORT.

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

23 (B) IF A STATE AGENCY FAILS TO FULFILL THE REQUIREMENTS OF THIS
24 TITLE, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER, WHO SHALL
25 WITHHOLD PAYMENT OF ALL DEVELOPMENT SUBSIDIES TO THE AGENCY UNTIL THE
26 AGENCY COMPLIES WITH THE REQUIREMENTS OF THIS TITLE.

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

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
31 effect July 1, 2004.