

SENATE BILL 502

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C8

2004 Regular Session
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By: **Senators Lawlah, Conway, Della, Exum, Forehand, Garagiola, Gladden,
Jones, Kelley, McFadden, Pinsky, Ruben, Stone, and Teitelbaum**

Introduced and read first time: February 6, 2004

Assigned to: Budget and Taxation

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)

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.
30 Unified Economic Development Budget Report and Annual Development
31 Subsidy Reports"

1 Annotated Code of Maryland
2 (2003 Replacement Volume)

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

5 **Article - Tax - Property**

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

7 2-301.

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

10 (B) (1) "DEVELOPMENT SUBSIDY" MEANS AN EXPENDITURE OF AT LEAST
11 \$25,000 OF PUBLIC FUNDS FOR THE PURPOSE OF STIMULATING ECONOMIC
12 DEVELOPMENT WITHIN THE STATE.

13 (2) "DEVELOPMENT SUBSIDY" INCLUDES:

14 (I) A BOND;

15 (II) A GRANT;

16 (III) A LOAN OR LOAN GUARANTEE;

17 (IV) AN ENTERPRISE OR EMPOWERMENT ZONE;

18 (V) TAX INCREMENT FINANCING;

19 (VI) A FEE WAIVER;

20 (VII) A LAND PRICE SUBSIDY;

21 (VIII) MATCHING FUNDS; AND

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

23 (C) "PROPERTY TAX REPORT" MEANS THE UNIFIED PROPERTY TAX
24 EXEMPTION AND CREDIT REPORT.

25 2-302.

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

30 (B) THE PROPERTY TAX REPORT SHALL CONTAIN:

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

3 (I) THE NAME OF THE PROPERTY OWNER;

4 (II) THE ADDRESS OF THE PROPERTY;

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

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

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

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

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

17 2-303.

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

21 2-304.

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

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

28 (B) IF A STATE AGENCY FAILS TO FULFILL THE REQUIREMENTS OF THIS
29 SUBTITLE, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER, WHO SHALL
30 WITHHOLD PAYMENT OF ALL DEVELOPMENT SUBSIDIES TO THE AGENCY UNTIL THE
31 AGENCY COMPLIES 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 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 1 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, INCLUDING:

18 (I) GROSS RECEIPTS TAX;

19 (II) INCOME TAX;

20 (III) SALES AND USE TAX;

21 (IV) EXCISE TAX;

22 (V) PROPERTY TAX;

23 (VI) UTILITY TAX; AND

24 (VII) INVENTORY TAX;

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

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

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

1 7-103.

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

5 (B) THE REPORT SHALL COVER THE PREVIOUS FISCAL YEAR AND SHALL
6 CONTAIN:

7 (1) THE NAME, ADDRESS, AND PHONE NUMBER OF THE SUBSIDY
8 RECIPIENT;

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

11 (3) THE AVERAGE HOURLY WAGE PAID TO ALL CURRENT AND NEW
12 EMPLOYEES AT A PROJECT SITE IN WAGE GROUPS OF \$1.00 INCREMENTS BEGINNING
13 AT MINIMUM WAGE THROUGH \$14.00 OR MORE PER HOUR, BROKEN DOWN BY
14 FULL-TIME POSITIONS, PART-TIME POSITIONS, AND TEMPORARY POSITIONS.

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

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

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

27 (7) A CERTIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF
28 THE SUBSIDY RECIPIENT THAT THE INFORMATION PROVIDED BY THE SUBSIDY
29 RECIPIENT TO THE GRANTING BODY FOR USE IN THE ANNUAL REPORT IS COMPLETE
30 AND ACCURATE; AND

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

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

34 (II) THE CORPORATE PARENT IS IN COMPLIANCE WITH ITS STATE
35 EMPLOYMENT REQUIREMENT.

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

4 7-104.

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

8 7-105.

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

13 7-106.

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

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

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

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

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