

ENROLLED BILL
-- Economic Matters/Finance --

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

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Business and Economic Development - Financial Assistance Programs**

3 FOR the purpose of providing that the members of the Maryland Industrial
4 Development Financing Authority shall also serve as the members of the
5 Maryland Economic Development Assistance Authority; providing for the
6 appointment of the members of the Maryland Industrial Development
7 Financing Authority in a certain manner and with certain qualifications;
8 authorizing the members of each authority to act concurrently as members of
9 both authorities; ~~authorizing~~ requiring the members of each authority to carry
10 out the powers and duties of each authority whether acting concurrently as
11 members of both authorities or as members of either authority; providing for the
12 conduct of business of the authorities by the members of the Maryland Economic
13 Development Assistance Authority in a certain manner; altering the amount of
14 funding that the executive director of the Maryland Industrial Development
15 Financing Authority may approve in a single transaction from the Industrial
16 Development Fund; authorizing a designee of the Secretary of Business and

1 Economic Development to concur in a certain approval; altering the scope of a
2 waiver of a certain insurance premium; altering the scope of eligible businesses
3 under the Linked Deposit Program; defining a certain term; providing for the
4 termination of the terms of the appointed members of the Maryland Economic
5 Development Assistance Authority and the appointed members of the Maryland
6 Industrial Development Financing Authority serving as of a certain date;
7 providing for the appointment of certain members of the Maryland Industrial
8 Development Financing Authority to staggered terms; and generally relating to
9 the financial assistance programs of the Department of Business and Economic
10 Development.

11 BY repealing and reenacting, without amendments,
12 Article 83A - Department of Business and Economic Development
13 Section 5-901(a), 5-904, 5-927(a)(1), and 5-1401(a) and (u)
14 Annotated Code of Maryland
15 (2003 Replacement Volume and 2004 Supplement)

16 BY adding to
17 Article 83A - Department of Business and Economic Development
18 Section 5-901(z-1)
19 Annotated Code of Maryland
20 (2003 Replacement Volume and 2004 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article 83A - Department of Business and Economic Development
23 Section 5-905, 5-921, 5-925, 5-927(a)(3), and 5-1403
24 Annotated Code of Maryland
25 (2003 Replacement Volume and 2004 Supplement)

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

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

29 5-901.

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

31 (Z-1) "QUALIFIED DISTRESSED COUNTY" HAS THE MEANING STATED IN § 5-1401
32 OF THIS TITLE.

33 5-904.

34 There is a Maryland Industrial Development Financing Authority in the
35 Department, established as a body corporate and politic and a public instrumentality
36 of the State.

1 5-905.

2 (a) The Authority consists of the following 9 members:

3 (1) 7 members appointed by the ~~Secretary~~ GOVERNOR with the approval
4 ~~of the Governor~~ ADVICE AND CONSENT OF THE SENATE; and

5 (2) As ex officio members:

6 (i) The Secretary or the Secretary's designee; and

7 (ii) The State Treasurer or the State Comptroller, as designated by
8 the Governor. If designated by the Governor to serve on the Board, the State
9 Treasurer or State Comptroller may designate a representative to serve on the Board.

10 (B) THE APPOINTED MEMBERS SHALL:

11 (1) HAVE SUBSTANTIAL EXPERIENCE IN BUSINESS OR ECONOMIC
12 DEVELOPMENT; AND

13 (2) REFLECT THE GEOGRAPHIC, RACIAL, ETHNIC, AND GENDER MAKEUP
14 OF THE STATE.

15 ~~(b)~~ (C) (1) The term of an appointed member is 5 years.

16 (2) The terms of appointed members are staggered as required by the
17 terms provided for members of the Authority on July 1, [1980] 2005.

18 (3) At the end of a term, an appointed member continues to serve until a
19 successor is appointed and qualifies.

20 (4) A member who is appointed after a term has begun serves only for
21 the rest of the term and until a successor is appointed and qualifies.

22 ~~(c)~~ (D) The Governor may remove an appointed member at the Governor's
23 pleasure.

24 ~~(D)~~ (E) THE MEMBERS OF THE AUTHORITY ARE ALSO THE MEMBERS OF THE
25 MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY UNDER § 5-1403 OF
26 THIS TITLE.

27 ~~(E)~~ (F) THE MEMBERS OF THE AUTHORITY MAY ACT CONCURRENTLY IN
28 THEIR CAPACITIES AS MEMBERS OF THE AUTHORITY AND OF THE MARYLAND
29 ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY.

30 ~~(F)~~ (G) THE MEMBERS OF THE AUTHORITY ~~MAY~~ SHALL CARRY OUT THE
31 POWERS AND DUTIES OF THE AUTHORITY UNDER THIS SUBTITLE WHETHER ACTING:

32 (1) CONCURRENTLY AS MEMBERS OF THE AUTHORITY AND THE
33 MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY; OR

1 (2) AS MEMBERS OF EITHER AUTHORITY ALONE.

2 5-921.

3 The Authority may authorize the executive director of the Authority to approve,
4 on behalf of the Authority, any financial assistance to be provided from the Industrial
5 Development Fund under § 5-918 of this subtitle which does not exceed, with respect
6 to any one transaction, the total aggregate amount of [\$50,000] \$250,000. Any such
7 approval by the executive director shall:

8 (1) Be subject to the concurrence of the [Secretary] SECRETARY, THE
9 SECRETARY'S DESIGNEE, or the chairman of the Authority;

10 (2) Comply with the requirements of this subtitle; and

11 (3) Be binding upon the Authority.

12 5-925.

13 [(a)] The Authority may not charge any premium for insurance if the Authority
14 determines that, at the time of approval of insurance, the facility or business with
15 respect to which insurance is provided by the Authority is located in a [county where
16 the average unemployment rate is at least 1 percent greater than the average
17 unemployment rate for the United States, as determined in accordance with this
18 section] QUALIFIED DISTRESSED COUNTY.

19 [(b)] (1) Average unemployment rates for a county shall be those established
20 by the State Employment Security Administration or any other agency or
21 instrumentality responsible for establishing the rates.

22 (2) Average unemployment rates for the United States shall be those
23 established by the United States Department of Labor or any other agency or
24 department responsible for establishing the rates.

25 (c) The Authority shall:

26 (1) Annually review the unemployment rates; and

27 (2) Only consider annual unemployment rates established not more than
28 12 months before the date of the Authority's review.]

29 5-927.

30 (a) (1) In this section the following words have the meanings indicated.

31 (3) "Eligible business" means a for-profit business that:

32 (i) Is located in a [county that has an unemployment rate of 130
33 percent of the unemployment rate for the State during the most recent 4 consecutive
34 quarters for which data are available and has a population under 200,000]
35 QUALIFIED DISTRESSED COUNTY;

1 (ii) Is in good standing with each State regulatory authority with
2 jurisdiction over the business of the applicant, including the State Workers'
3 Compensation Commission, the Department of Assessments and Taxation, and the
4 Department of Labor, Licensing and Regulation; and

5 (iii) Employs 500 or fewer employees.

6 5-1401.

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

8 (u) "Qualified distressed county" means a county that has developed in
9 consultation with the municipal corporations located within the county and submitted
10 to the Secretary a local strategic plan for economic development that has been
11 approved by the Secretary and:

12 (1) For which the average rate of unemployment for the most recent
13 18-month period for which data are available exceeds 150% of the average rate of
14 unemployment for the entire State during the same period; or

15 (2) For which the average per capita personal income for the most recent
16 24-month period for which data are available does not exceed 67% of the average
17 personal per capita income for the entire State during the same period.

18 5-1403.

19 (a) There is a Maryland Economic Development Assistance Authority in the
20 Department.

21 (b) The Authority shall, with respect to financial assistance exceeding
22 \$2,500,000:

23 (1) Evaluate requests for financial assistance that have been first
24 evaluated by staff of the Department;

25 (2) Determine whether to approve requests for financial assistance; and

26 (3) Set the terms and conditions for financial assistance.

27 (c) (1) The Authority consists of the [following nine members:

28 (1) Seven members appointed by the Governor with the advice and
29 consent of the Senate; and

30 (2) As ex officio members:

31 (i) The Secretary or the Secretary's designee; and

32 (ii) The Secretary of the Department of Transportation or the
33 Secretary's designee] INDIVIDUALS SERVING AS MEMBERS OF THE MARYLAND
34 INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY UNDER § 5-904 OF THIS TITLE.

1 (2) THE MEMBERS OF THE AUTHORITY SHALL BE APPOINTED IN
2 ACCORDANCE WITH § 5-905 OF THIS TITLE.

3 (D) THE MEMBERS OF THE AUTHORITY MAY ACT CONCURRENTLY IN THEIR
4 CAPACITIES AS MEMBERS OF THE AUTHORITY AND OF THE MARYLAND INDUSTRIAL
5 DEVELOPMENT FINANCING AUTHORITY.

6 (E) THE MEMBERS OF THE AUTHORITY ~~MAY~~ SHALL CARRY OUT THE POWERS
7 AND DUTIES OF THE AUTHORITY UNDER THIS SUBTITLE WHETHER ACTING:

8 (1) CONCURRENTLY AS MEMBERS OF THE AUTHORITY AND THE
9 MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY; OR

10 (2) AS MEMBERS OF EITHER AUTHORITY ALONE.

11 (F) THE MEMBERS OF THE AUTHORITY SHALL CONDUCT THE BUSINESS OF
12 THE AUTHORITY AND OF THE MARYLAND INDUSTRIAL DEVELOPMENT FINANCING
13 AUTHORITY UNDER SUBTITLE 9 OF THIS TITLE.

14 [(d) The members of the Authority appointed by the Governor shall be
15 individuals with substantial experience in business or economic development and
16 shall reflect the geographic, racial, ethnic, and gender makeup of the State.

17 (e) (1) The term of an appointed member is 3 years.

18 (2) The terms of appointed members shall be staggered as required by
19 the terms provided for members of the Authority on July 1, 1999.

20 (3) At the end of a term, an appointed member continues to serve until a
21 successor is appointed and qualifies.

22 (4) A member who is appointed after a term has begun serves only for
23 the rest of the term and until a successor is appointed and qualifies.

24 (5) An appointed member serves at the pleasure of the Governor.

25 (6) The Governor shall designate a chairman from among the members.

26 (7) Attendance by a majority of the voting members shall constitute a
27 quorum.

28 (f) (1) The Authority shall meet as often as its duties require, but no less
29 than quarterly.

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

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

1 (g) The Department shall provide staff support to the Authority.]

2 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the
3 appointed members of the Maryland Economic Development Authority and of the
4 appointed members of the Maryland Industrial Development Financing Authority
5 serving as of June 30, 2005, shall terminate on July 1, 2005. The ~~Secretary of~~
6 ~~Business and Economic Development~~ Governor shall appoint seven members of the
7 Maryland Industrial Development Financing Authority in accordance with Article
8 83A, § 5-905 of the Code, as enacted by this Act, to terms that begin on July 1, 2005
9 and expire as follows:

- 10 (1) one member on June 30, 2006;
- 11 (2) two members on June 30, 2007;
- 12 (3) one member on June 30, 2008;
- 13 (4) two members on June 30, 2009; and
- 14 (5) one member on June 30, 2010.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2005.