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

Introduced and read first time: January 24, 2005

Assigned to: Economic Matters

A BILL ENTITLED

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; authorizing the
6 members of each authority to act concurrently as members of both authorities;
7 authorizing the members of each authority to carry out the powers and duties of
8 each authority whether acting concurrently as members of both authorities or as
9 members of either authority; providing for the conduct of business of the
10 authorities by the members of the Maryland Economic Development Assistance
11 Authority in a certain manner; altering the amount of funding that the
12 executive director of the Maryland Industrial Development Financing Authority
13 may approve in a single transaction from the Industrial Development Fund;
14 authorizing a designee of the Secretary of Business and Economic Development
15 to concur in a certain approval; altering the scope of a waiver of a certain
16 insurance premium; altering the scope of eligible businesses under the Linked
17 Deposit Program; defining a certain term; providing for the termination of the
18 terms of members of the Maryland Economic Development Assistance Authority
19 and the appointed members of the Maryland Industrial Development Financing
20 Authority serving as of a certain date; providing for the appointment of certain
21 members of the Maryland Industrial Development Financing Authority to
22 staggered terms; and generally relating to the financial assistance programs of
23 the Department of Business and Economic Development.

24 BY repealing and reenacting, without amendments,
25 Article 83A - Department of Business and Economic Development
26 Section 5-901(a), 5-904, 5-927(a)(1), and 5-1401(a) and (u)
27 Annotated Code of Maryland
28 (2003 Replacement Volume and 2004 Supplement)

29 BY adding to
30 Article 83A - Department of Business and Economic Development
31 Section 5-901(z-1)

1 Annotated Code of Maryland
2 (2003 Replacement Volume and 2004 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article 83A - Department of Business and Economic Development
5 Section 5-905, 5-921, 5-925, 5-927(a)(3), and 5-1403
6 Annotated Code of Maryland
7 (2003 Replacement Volume and 2004 Supplement)

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

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

11 5-901.

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

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

15 5-904.

16 There is a Maryland Industrial Development Financing Authority in the
17 Department, established as a body corporate and politic and a public instrumentality
18 of the State.

19 5-905.

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

21 (1) 7 members appointed by the Secretary with the approval of the
22 Governor; and

23 (2) As ex officio members:

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

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

28 (b) (1) The term of an appointed member is 5 years.

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

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

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

3 (c) The Governor may remove an appointed member at the Governor's
4 pleasure.

5 (D) THE MEMBERS OF THE AUTHORITY ARE ALSO THE MEMBERS OF THE
6 MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY UNDER § 5-1403 OF
7 THIS TITLE.

8 (E) THE MEMBERS OF THE AUTHORITY MAY ACT CONCURRENTLY IN THEIR
9 CAPACITIES AS MEMBERS OF THE AUTHORITY AND OF THE MARYLAND ECONOMIC
10 DEVELOPMENT ASSISTANCE AUTHORITY.

11 (F) THE MEMBERS OF THE AUTHORITY MAY CARRY OUT THE POWERS AND
12 DUTIES OF THE AUTHORITY UNDER THIS SUBTITLE WHETHER ACTING:

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

15 (2) AS MEMBERS OF EITHER AUTHORITY ALONE.

16 5-921.

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

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

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

25 (3) Be binding upon the Authority.

26 5-925.

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

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

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

4 (c) The Authority shall:

5 (1) Annually review the unemployment rates; and

6 (2) Only consider annual unemployment rates established not more than
7 12 months before the date of the Authority's review.]

8 5-927.

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

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

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

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

19 (iii) Employs 500 or fewer employees.

20 5-1401.

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

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

26 (1) For which the average rate of unemployment for the most recent
27 18-month period for which data are available exceeds 150% of the average rate of
28 unemployment for the entire State during the same period; or

29 (2) For which the average per capita personal income for the most recent
30 24-month period for which data are available does not exceed 67% of the average
31 personal per capita income for the entire State during the same period.

32 5-1403.

33 (a) There is a Maryland Economic Development Assistance Authority in the
34 Department.

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

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

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

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

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

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

10 (2) As ex officio members:

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

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

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

17 (D) THE MEMBERS OF THE AUTHORITY MAY ACT CONCURRENTLY IN THEIR
18 CAPACITIES AS MEMBERS OF THE AUTHORITY AND OF THE MARYLAND INDUSTRIAL
19 DEVELOPMENT FINANCING AUTHORITY.

20 (E) THE MEMBERS OF THE AUTHORITY MAY CARRY OUT THE POWERS AND
21 DUTIES OF THE AUTHORITY UNDER THIS SUBTITLE WHETHER ACTING:

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

24 (2) AS MEMBERS OF EITHER AUTHORITY ALONE.

25 (F) THE MEMBERS OF THE AUTHORITY SHALL CONDUCT THE BUSINESS OF
26 THE AUTHORITY AND OF THE MARYLAND INDUSTRIAL DEVELOPMENT FINANCING
27 AUTHORITY UNDER SUBTITLE 9 OF THIS TITLE.

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

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

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

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

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

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

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

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

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

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

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

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

18 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the members
19 of the Maryland Economic Development Authority and of the appointed members of
20 the Maryland Industrial Development Financing Authority serving as of June 30,
21 2005, shall terminate on July 1, 2005. The Secretary of Business and Economic
22 Development shall appoint seven members of the Maryland Industrial Development
23 Financing Authority in accordance with Article 83A, § 5-905 of the Code, as enacted
24 by this Act, to terms that begin on July 1, 2005 and expire as follows:

25 (1) one member on June 30, 2006;

26 (2) two members on June 30, 2007;

27 (3) one member on June 30, 2008;

28 (4) two members on June 30, 2009; and

29 (5) one member on June 30, 2010.

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