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

Introduced and read first time: January 24, 2005

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2005

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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 the members of each authority to carry out the  
 10 powers and duties of each authority whether acting concurrently as members of  
 11 both authorities or as members of either authority; providing for the conduct of  
 12 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  
 17 Economic Development to concur in a certain approval; altering the scope of a  
 18 waiver of a certain insurance premium; altering the scope of eligible businesses  
 19 under the Linked Deposit Program; defining a certain term; providing for the  
 20 termination of the terms of the appointed members of the Maryland Economic  
 21 Development Assistance Authority and the appointed members of the Maryland  
 22 Industrial Development Financing Authority serving as of a certain date;  
 23 providing for the appointment of certain members of the Maryland Industrial  
 24 Development Financing Authority to staggered terms; and generally relating to  
 25 the financial assistance programs of the Department of Business and Economic  
 26 Development.

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

6 BY adding to  
7 Article 83A - Department of Business and Economic Development  
8 Section 5-901(z-1)  
9 Annotated Code of Maryland  
10 (2003 Replacement Volume and 2004 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article 83A - Department of Business and Economic Development  
13 Section 5-905, 5-921, 5-925, 5-927(a)(3), and 5-1403  
14 Annotated Code of Maryland  
15 (2003 Replacement Volume and 2004 Supplement)

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

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

19 5-901.

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

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

23 5-904.

24 There is a Maryland Industrial Development Financing Authority in the  
25 Department, established as a body corporate and politic and a public instrumentality  
26 of the State.

27 5-905.

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

29 (1) 7 members appointed by the ~~Secretary~~ GOVERNOR with the ~~approval~~  
30 ~~of the Governor~~ ADVICE AND CONSENT OF THE SENATE; and

31 (2) As ex officio members:

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

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

4 ~~(B)~~ (B) THE APPOINTED MEMBERS SHALL:

5 (1) HAVE SUBSTANTIAL EXPERIENCE IN BUSINESS OR ECONOMIC  
 6 DEVELOPMENT; AND

7 (2) REFLECT THE GEOGRAPHIC, RACIAL, ETHNIC, AND GENDER MAKEUP  
 8 OF THE STATE.

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

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

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

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

16 ~~(e)~~ (D) The Governor may remove an appointed member at the Governor's  
 17 pleasure.

18 ~~(D)~~ (E) THE MEMBERS OF THE AUTHORITY ARE ALSO THE MEMBERS OF THE  
 19 MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY UNDER § 5-1403 OF  
 20 THIS TITLE.

21 ~~(E)~~ (F) THE MEMBERS OF THE AUTHORITY MAY ACT CONCURRENTLY IN  
 22 THEIR CAPACITIES AS MEMBERS OF THE AUTHORITY AND OF THE MARYLAND  
 23 ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY.

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

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

28 (2) AS MEMBERS OF EITHER AUTHORITY ALONE.

29 5-921.

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

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

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

4 (3) Be binding upon the Authority.

5 5-925.

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

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

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

18 (c) The Authority shall:

19 (1) Annually review the unemployment rates; and

20 (2) Only consider annual unemployment rates established not more than  
21 12 months before the date of the Authority's review.]

22 5-927.

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

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

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

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

33 (iii) Employs 500 or fewer employees.

1 5-1401.

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

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

7 (1) For which the average rate of unemployment for the most recent  
8 18-month period for which data are available exceeds 150% of the average rate of  
9 unemployment for the entire State during the same period; or

10 (2) For which the average per capita personal income for the most recent  
11 24-month period for which data are available does not exceed 67% of the average  
12 personal per capita income for the entire State during the same period.

13 5-1403.

14 (a) There is a Maryland Economic Development Assistance Authority in the  
15 Department.

16 (b) The Authority shall, with respect to financial assistance exceeding  
17 \$2,500,000:

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

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

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

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

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

25 (2) As ex officio members:

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

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

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

32 (D) THE MEMBERS OF THE AUTHORITY MAY ACT CONCURRENTLY IN THEIR  
33 CAPACITIES AS MEMBERS OF THE AUTHORITY AND OF THE MARYLAND INDUSTRIAL  
34 DEVELOPMENT FINANCING AUTHORITY.

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

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

5 (2) AS MEMBERS OF EITHER AUTHORITY ALONE.

6 (F) THE MEMBERS OF THE AUTHORITY SHALL CONDUCT THE BUSINESS OF  
7 THE AUTHORITY AND OF THE MARYLAND INDUSTRIAL DEVELOPMENT FINANCING  
8 AUTHORITY UNDER SUBTITLE 9 OF THIS TITLE.

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

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

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

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

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

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

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

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

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

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

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

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the  
33 appointed members of the Maryland Economic Development Authority and of the  
34 appointed members of the Maryland Industrial Development Financing Authority  
35 serving as of June 30, 2005, shall terminate on July 1, 2005. The ~~Secretary of~~

1 ~~Business and Economic Development~~ Governor shall appoint seven members of the  
2 Maryland Industrial Development Financing Authority in accordance with Article  
3 83A, § 5-905 of the Code, as enacted by this Act, to terms that begin on July 1, 2005  
4 and expire as follows:

- 5 (1) one member on June 30, 2006;
- 6 (2) two members on June 30, 2007;
- 7 (3) one member on June 30, 2008;
- 8 (4) two members on June 30, 2009; and
- 9 (5) one member on June 30, 2010.

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