

SENATE BILL 277

C8

71r1610

By: **Senator Madaleno**

Introduced and read first time: January 31, 2007

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development Opportunities (Sunny Day) Account – Extraordinary**
3 **Economic Development Opportunity – Definition**

4 FOR the purpose of altering the definition of an extraordinary economic development
5 opportunity as it relates to the retention, expansion, establishment, or
6 attraction of certain public or private institutions through the use of
7 the Economic Development Opportunities Program Account; and generally
8 relating to the Economic Development Opportunities Program Account and the
9 definition of an extraordinary economic development opportunity.

10 BY repealing and reenacting, with amendments,
11 Article – State Finance and Procurement
12 Section 7–314(a)
13 Annotated Code of Maryland
14 (2006 Replacement Volume and 2006 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – State Finance and Procurement
17 Section 7–314(b), (h)(1), and (i)
18 Annotated Code of Maryland
19 (2006 Replacement Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **B. POSITIONS THE STATE TO SECURE AN**
2 **ADVANTAGE IN NEW OR EMERGING TECHNOLOGIES; OR**

3 (iii) establishment or attraction of a public institution, a private
4 institution, or a federal research and development institute new to the State that:

5 1. is consistent with the strategic plan of the State for
6 economic development; and

7 2. **A.** creates or retains substantial employment,
8 particularly in areas of high unemployment; **OR**

9 **B. POSITIONS THE STATE TO SECURE AN**
10 **ADVANTAGE IN NEW OR EMERGING TECHNOLOGIES.**

11 (5) (i) “Performance requirement” means a contractual agreement
12 between an executive agency and an Account recipient that requires the Account
13 recipient to meet minimum economic development outcomes in exchange for a grant or
14 a loan under this section.

15 (ii) “Performance requirement” includes claw-back, penalty,
16 rescission, and recalibration clauses that utilize job creation, capital investment, and
17 other measures of economic development.

18 (6) “Private sector enterprise” means any commercial, industrial,
19 educational, or research organization which is not a part of or controlled by a federal,
20 State, or local government agency.

21 (b) Subject to the provisions of this section, the Economic Development
22 Opportunities Program Account is established to maximize extraordinary economic
23 development opportunities.

24 (h) (1) Except as provided in paragraph (2) of this subsection and in
25 subsection (i) of this section, any funds transferred from the Economic Development
26 Opportunities Program Account shall be used only for extraordinary economic
27 development opportunities that:

28 (i) meet the criteria provided in this section;

29 (ii) include performance requirements; and

1 (iii) in addition to the performance requirements under item (ii)
2 of this subsection, include a performance requirement that utilizes a claw-back
3 provision.

4 (i) The Legislative Policy Committee may approve an economic development
5 opportunity that is not an extraordinary economic development opportunity if the
6 executive agency requesting the transfer of funds offers a detailed justification for the
7 exception. The Legislative Policy Committee shall give particular consideration to an
8 exception that would provide a significant economic development opportunity for an
9 area of the State that has a relatively high unemployment rate or relatively low per
10 capita income.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2007.