SENATE BILL 277

C8 7lr1610

By: Senator Madaleno

Introduced and read first time: January 31, 2007

Assigned to: Finance

A BILL ENTITLED

1	AN ACT concerning	

Economic Development Opportunities (Sunny Day) Account – Extraordinary
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
- 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.



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Article - State Finance and Procurement 1 2 7–314. 3 In this section the following words have the meanings indicated. (a) (1) 4 (2)"Account" means the Economic Development Opportunities 5 Program Account. 6 "Executive agency" means an executive department or agency in (3)7 the Executive Branch of State government, including all offices of the Executive Department or agency directly responsible to the Governor. 8 9 "Extraordinary economic development opportunity" means the: (4) 10 attraction of a new private sector enterprise to the State or (i) retention or expansion of an existing private sector enterprise in the State that: 11 12 1. maintains a strong financial condition and minimal 13 credit risk profile; is capable of accessing alternative sources of financing 14 2. through financial institutions or capital markets; 15 16 is consistent with the strategic plan of the State for 3. 17 economic development; 18 4. creates retains substantial employment, or particularly in areas of high unemployment; and 19 20 5. invests in capital at a level equal to five times the 21 value of the incentive offered: 22 retention or expansion of an existing public institution, private institution, or federal research and development institute that: 23 24 is consistent with the strategic plan of the State for 1. 25 economic development; and

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particularly in areas of high unemployment; or

creates or retains substantial employment,

1 2	B. POSITIONS THE STATE TO SECURE AN ADVANTAGE IN NEW OR EMERGING TECHNOLOGIES; OR
3 4	(iii) establishment or attraction of a public institution, a private institution, or a federal research and development institute new to the State that:
5 6	1. is consistent with the strategic plan of the State for economic development; and
7 8	2. A. creates or retains substantial employment, particularly in areas of high unemployment; \mathbf{OR}
9 10	B. POSITIONS THE STATE TO SECURE AN ADVANTAGE IN NEW OR EMERGING TECHNOLOGIES.
11 12 13 14	(5) (i) "Performance requirement" means a contractual agreement between an executive agency and an Account recipient that requires the Account recipient to meet minimum economic development outcomes in exchange for a grant or a loan under this section.
15 16 17	(ii) "Performance requirement" includes claw-back, penalty, rescission, and recalibration clauses that utilize job creation, capital investment, and other measures of economic development.
18 19 20	(6) "Private sector enterprise" means any commercial, industrial, educational, or research organization which is not a part of or controlled by a federal, State, or local government agency.
21 22 23	(b) Subject to the provisions of this section, the Economic Development Opportunities Program Account is established to maximize extraordinary economic development opportunities.
24 25 26 27	(h) (1) Except as provided in paragraph (2) of this subsection and in subsection (i) of this section, any funds transferred from the Economic Development Opportunities Program Account shall be used only for extraordinary economic 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.

- (i) The Legislative Policy Committee may approve an economic development opportunity that is not an extraordinary economic development opportunity if the executive agency requesting the transfer of funds offers a detailed justification for the exception. The Legislative Policy Committee shall give particular consideration to an exception that would provide a significant economic development opportunity for an area of the State that has a relatively high unemployment rate or relatively low per capita income.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2007.