

**HB0394/865365/1**

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 394

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 11, strike “establish” and substitute “adopt”; in line 14, after “fees;” insert “establishing a Workforce Development Sequence Scholarship to be administered by the Office of Student Financial Assistance in the Maryland Higher Education Commission; authorizing an individual to apply to the Office for a scholarship if the individual is an eligible student; providing for the uses of the scholarship; establishing the maximum award amount of the scholarship; requiring the Governor annually to include at least a certain appropriation in the State budget to the Commission for the Workforce Development Sequence Scholarship; requiring the Commission to submit a certain report to the General Assembly on or before a certain date each year; requiring the evaluation of a certain tax credit on or before a certain date;”; strike beginning with “authorizing” in line 15 down through “Program;” in line 17; in line 18, after “Program;” insert “requiring certain manufacturing businesses to apply for a tax credit certificate from the Department under certain circumstances; authorizing the Department to provide for the form and content of the application; authorizing the Department to issue tax credit certificates, subject to certain limitations; limiting the total credit amounts for which the Department may issue initial credit certificates for each fiscal year; requiring the Department to give priority to certain manufacturing businesses under certain circumstances and to notify the Comptroller of the amount of any tax credit certificates issued; establishing the More Jobs for Marylanders Tax Credit Reserve Fund; requiring the Governor to include a certain appropriation to the Reserve Fund in the annual budget bill for certain fiscal years; requiring the Comptroller to transfer certain amounts from the Reserve Fund to the General Fund under certain circumstances; requiring the Department to report to the Governor and the General Assembly certain information regarding the tax credit; requiring the Department and the Comptroller to jointly adopt certain regulations;”.

(Over)

**HB0394/865365/1 Committee on Ways and Means  
Amendments to HB 394  
Page 2 of 15**

On page 2, strike beginning with the comma in line 1 down through “exemptions,” in line 2; in line 10, strike “6-809” and substitute “6-810”; in line 21, after “Section” insert “1-303(a) and”; in line 26, strike “10-741 and 11-233” and substitute “1-303(h) and 10-741”; and after line 18, insert:

“BY repealing and reenacting, without amendments,

Article – Education

Section 18–101(a) through (c)

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)

BY adding to

Article – Education

Section 18–3301 through 18–3304 to be under the new subtitle “Subtitle 33.

Workforce Development Sequence Scholarships”

Annotated Code of Maryland

(2014 Replacement Volume and 2016 Supplement)”.

AMENDMENT NO. 2

On page 4, in line 2, strike “**QUALIFIED DISTRESSED COUNTY**” and substitute “**TIER I COUNTY OR TIER II COUNTY**”; strike in their entirety lines 14 and 15; in line 16, strike “**(J)**” and substitute “**(I)**”; and in line 18, strike “**150% OF THE FEDERAL**” and substitute “**120% OF THE STATE**”.

On page 5, after line 8, insert:

**(J) “TIER I COUNTY” MEANS:**

**(1) A QUALIFIED DISTRESSED COUNTY, AS DEFINED IN § 1-101 OF THIS ARTICLE;**

**(2) A COUNTY IN WHICH THE AVERAGE RATE OF UNEMPLOYMENT FOR THE MOST RECENT 24-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE EXCEEDS THE AVERAGE RATE OF UNEMPLOYMENT IN THE STATE BY AT LEAST 2 PERCENTAGE POINTS; OR**

**(3) A COUNTY DESIGNATED BY THE DEPARTMENT AS A TIER I COUNTY UNDER § 6-804 OF THIS SUBTITLE AND THAT IS NOT A COUNTY DESCRIBED IN PARAGRAPH (1) OR (2) OF THIS SUBSECTION.**

**(K) “TIER II COUNTY” MEANS A COUNTY THAT IS NOT A COUNTY DESCRIBED IN SUBSECTION (J) OF THIS SECTION.”.**

**AMENDMENT NO. 3**

On page 5, in line 19, after “PROGRAM” insert “**IF THE ELIGIBLE PROJECT:**

**(1) IS IN A TIER I COUNTY AND THE BUSINESS ENTITY INTENDS TO CREATE AT LEAST FIVE QUALIFIED POSITIONS AT THE PROJECT LOCATION; OR**

**(2) IS IN A TIER II COUNTY AND THE BUSINESS ENTITY INTENDS TO CREATE AT LEAST 10 QUALIFIED POSITIONS AT THE PROJECT LOCATION”;**

and in lines 27 and 28, strike “AND OPERATES A FACILITY IN A QUALIFIED DISTRESSED COUNTY” and substitute “**AN ELIGIBLE PROJECT**”.

On page 6, strike beginning with “THE” in line 4 down through the semicolon in line 5 and substitute “**THE ESTIMATED NUMBER OF QUALIFIED POSITIONS TO BE CREATED AND QUALIFIED EMPLOYEES TO BE HIRED AND THE ANTICIPATED PAYROLL OF THE NEW QUALIFIED EMPLOYEES;**”; strike beginning with “AT” in line 9 down through “COUNTY” in line 10 and substitute “**AS REQUIRED UNDER**

(Over)

SUBSECTION (A) OF THIS SECTION FOR AN ELIGIBLE PROJECT IN A TIER I OR TIER II COUNTY"; in line 25, strike "(4)" and substitute "(D)"; after line 28, insert:

"6-804.

(A) THE DEPARTMENT SHALL DESIGNATE A COUNTY AS A TIER I COUNTY IF, AFTER APPLICATION OF THE SCORING SYSTEM DEVELOPED UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION, THE COUNTY IS RANKED IN ONE OF THE TOP THREE POSITIONS.

(B) THE DEPARTMENT SHALL DEVELOP A SCORING SYSTEM IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL ASSIGN A SCORE FOR EACH OF THE FOLLOWING INDICATORS:

(I) FOR THE MOST RECENT 12-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE:

1. THE AVERAGE UNEMPLOYMENT RATE IN THE COUNTY, WHICH SHALL ACCOUNT FOR 50% OF THE SCORE; AND

2. THE MEDIAN HOUSEHOLD INCOME IN THE COUNTY, WHICH SHALL ACCOUNT FOR 30% OF THE SCORE; AND

(II) THE OVERALL POPULATION OF THE COUNTY, AS MEASURED BY THE MOST RECENT UNITED STATES CENSUS, WHICH SHALL ACCOUNT FOR 20% OF THE SCORE.

**(2) THE SCORE FOR EACH INDICATOR UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ASSIGNED AS FOLLOWS:**

**(I) THE HIGHEST SCORE FOR THE COUNTY WITH THE HIGHEST AVERAGE UNEMPLOYMENT RATE;**

**(II) THE HIGHEST SCORE FOR THE COUNTY WITH THE LOWEST MEDIAN HOUSEHOLD INCOME; AND**

**(III) THE HIGHEST SCORE FOR THE COUNTY WITH THE HIGHEST OVERALL POPULATION.”;**

and in line 29, strike “**6-804.**” and substitute “**6-805.**”.

On page 7, in line 23, strike “**6-805.**” and substitute “**6-806.**”.

On page 8, in lines 3, 13, 26, and 29, strike “**6-806.**”, “**6-807.**”, “**6-808.**”, and “**6-809.**”, respectively, and substitute “**6-807.**”, “**6-808.**”, “**6-809.**”, and “**6-810.**”, respectively.

**AMENDMENT NO. 4**

On page 7, strike in their entirety lines 4 and 5 and substitute:

**“(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, ON ENROLLMENT IN THE PROGRAM:**

**(1) A NEW BUSINESS ENTITY IN A TIER I COUNTY IS ELIGIBLE FOR:”;**

(Over)

**HB0394/865365/1 Committee on Ways and Means  
Amendments to HB 394  
Page 6 of 15**

in lines 6, 8, and 12, strike “(1)”, “(2)”, and “(4)”, respectively, and substitute “(I)”, “(II)”, and “(III)”, respectively; in line 9, after “ARTICLE;” insert “AND”; strike in their entirety lines 10 and 11; in line 14, after “ARTICLE” insert “; AND

**(2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, AN EXISTING BUSINESS ENTITY IN A TIER I LOCATION AND A QUALIFIED BUSINESS ENTITY IN A TIER II LOCATION ARE ELIGIBLE FOR A CREDIT AGAINST THE STATE INCOME TAX, ESTABLISHED UNDER § 10-741(B) OF THE TAX – GENERAL ARTICLE.**

**(C) THE INCOME TAX CREDIT ESTABLISHED UNDER § 10-741(B) OF THE TAX - GENERAL ARTICLE IS NOT AVAILABLE TO AN EXISTING BUSINESS ENTITY IF THE ENTITY MOVES ITS FACILITY TO ANOTHER COUNTY IN THE STATE ON OR AFTER JUNE 1, 2017;**

strike in their entirety lines 15 through 18, inclusive; and in line 20, strike “EQUAL TO OR”.

**AMENDMENT NO. 5**

On page 7, in line 24, before “THE” insert “(A)”.

On page 8, after line 2, insert:

**“(B) THE DEPARTMENT MAY NOT PROVIDE A QUALIFIED BUSINESS ENTITY A CERTIFICATE ON OR AFTER JUNE 1, 2020.”;**

in line 11, strike “, AN EXEMPTION,”; and in line 27, strike “ESTABLISH” and substitute “ADOPT”.

**AMENDMENT NO. 6**

On page 9, in line 9, after “ENTITY” insert “IN A TIER I COUNTY”; and after line 12, insert:

“Article – Education

18–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Commission” means the Maryland Higher Education Commission.
- (c) “Office” means the Office of Student Financial Assistance.

**SUBTITLE 33. WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIPS.**

18–3301.

**(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “ELIGIBLE STUDENT” MEANS A STUDENT WHO:**

**(1) IS A MARYLAND RESIDENT OR HAS GRADUATED FROM A MARYLAND HIGH SCHOOL; AND**

**(2) IS ENROLLED IN A WORKFORCE DEVELOPMENT SEQUENCE AT A PUBLIC COMMUNITY COLLEGE IN THE STATE.**

(Over)

(C) (1) “WORKFORCE DEVELOPMENT SEQUENCE” MEANS A PROGRAM OFFERED BY A COMMUNITY COLLEGE THAT IS APPROVED BY THE COMMISSION AND IS COMPOSED OF COURSES THAT ARE RELATED TO:

(I) JOB PREPARATION OR AN APPRENTICESHIP;

(II) LICENSURE OR CERTIFICATION; OR

(III) JOB SKILL ENHANCEMENT.

(2) “WORKFORCE DEVELOPMENT SEQUENCE” DOES NOT INCLUDE A SEQUENCE OF COURSES LEADING TO AN ASSOCIATE’S OR BACHELOR’S DEGREE.

(D) “WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP” MEANS AN AWARD MADE TO AN ELIGIBLE STUDENT UNDER THIS SUBTITLE.

18-3302.

(A) THERE IS A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP ADMINISTERED BY THE OFFICE.

(B) IN AWARDING WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIPS UNDER THIS SUBTITLE, THE OFFICE SHALL CONSIDER:

(1) AN ELIGIBLE STUDENT’S FINANCIAL NEED; AND

(2) LOCAL WORKFORCE NEEDS.



18-3303.

(A) AN INDIVIDUAL MAY APPLY TO THE OFFICE FOR A SCHOLARSHIP UNDER THIS SECTION IF THE INDIVIDUAL IS AN ELIGIBLE STUDENT.

(B) AN ELIGIBLE STUDENT WHO RECEIVES A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP UNDER THIS SUBTITLE MAY USE THE AWARD FOR TUITION, MANDATORY FEES, AND OTHER ASSOCIATED COSTS OF ATTENDANCE.

(C) THE ANNUAL AMOUNT OF A SCHOLARSHIP AWARDED TO AN ELIGIBLE STUDENT MAY NOT EXCEED \$2,000.

(D) THE GOVERNOR SHALL PROVIDE IN THE ANNUAL BUDGET AN APPROPRIATION OF AT LEAST \$1,000,000 TO THE COMMISSION FOR THE WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP.

18-3304.

ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE NUMBER OF STUDENTS WHO RECEIVED A WORKFORCE DEVELOPMENT SEQUENCE SCHOLARSHIP;

(2) THE AMOUNT OF THE AWARD MADE TO EACH RECIPIENT;

(Over)

**(3) THE COMMUNITY COLLEGE THAT THE RECIPIENT ATTENDED;**  
**AND**

**(4) THE WORKFORCE DEVELOPMENT SEQUENCE IN WHICH THE RECIPIENT ENROLLED.**”.

AMENDMENT NO. 7

On page 9, after line 13, insert:

“1-303.

(a) An evaluation shall be made of the tax credits on or before the dates specified in subsections (b) through [(e)] (H) of this section.

**(H) ON OR BEFORE JULY 1, 2021, AN EVALUATION SHALL BE MADE OF THE TAX CREDIT UNDER § 10-741 OF THIS ARTICLE (MORE JOBS FOR MARYLANDERS TAX CREDIT).**”;

and in line 15, strike “MEANING” and substitute “MEANINGS”.

AMENDMENT NO. 8

On page 9, after line 18, insert:

**“(3) “DEPARTMENT” MEANS THE DEPARTMENT OF COMMERCE.”;**

in lines 19, 21, 23, and 25, strike “(3)”, “(4)”, “(5)”, and “(6)”, respectively, and substitute “(4)”, “(5)”, “(6)”, and “(7)”, respectively; and strike in their entirety lines 27 through 30, inclusive.

On page 10, in lines 1 and 7, strike “(9)” and “(C)”, respectively, and substitute “(8)” and “(B)”, respectively; strike in their entirety lines 3 through 6, inclusive; in line

7, strike “AN” and substitute “SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN”; strike beginning with “AN” in line 7 down through “AND” in line 8; strike beginning with “PROVIDED” in line 9 down through “SUBSECTION” in line 10 and substitute “STATED IN THE FINAL TAX CREDIT CERTIFICATE APPROVED BY THE DEPARTMENT FOR AN ELIGIBLE PROJECT”; after line 16, insert:

“(3) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED BUSINESS ENTITY FOR THAT TAXABLE YEAR, THE QUALIFIED BUSINESS ENTITY MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.”;

and strike in their entirety lines 17 through 23, inclusive, and substitute:

“(C) (1) ON ENROLLMENT IN THE MORE JOBS FOR MARYLANDERS PROGRAM ESTABLISHED UNDER TITLE 6, SUBTITLE 8 OF THE ECONOMIC DEVELOPMENT ARTICLE, A QUALIFIED BUSINESS ENTITY SHALL APPLY TO THE DEPARTMENT FOR A TAX CREDIT CERTIFICATE.

(2) THE APPLICATION SHALL BE IN THE FORM AND SHALL CONTAIN THE INFORMATION THE DEPARTMENT REQUIRES.

(3) (I) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, THE DEPARTMENT MAY ISSUE A TAX CREDIT CERTIFICATE TO A QUALIFIED BUSINESS ENTITY IN AN AMOUNT NOT TO EXCEED THE AMOUNT DETERMINED UNDER SECTION (B)(2) OF THIS SECTION.

(II) IN DETERMINING THE ALLOCATION OF THE AGGREGATE TAX CREDIT AMOUNTS AVAILABLE IN A FISCAL YEAR AS PROVIDED UNDER SUBSECTION (D) OF THIS SECTION, THE DEPARTMENT SHALL GIVE PRIORITY TO

APPLICATIONS FOR ELIGIBLE PROJECTS IN A TIER I COUNTY, AS DEFINED UNDER § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE.

(D) (1) IN THIS SUBSECTION, “RESERVE FUND” MEANS THE MORE JOBS FOR MARYLANDERS TAX CREDIT RESERVE FUND ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(2) (I) THERE IS A MORE JOBS FOR MARYLANDERS TAX CREDIT RESERVE FUND THAT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE MONEY IN THE RESERVE FUND SHALL BE INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL BE CREDITED TO THE GENERAL FUND.

(3) (I) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE DEPARTMENT SHALL ISSUE AN INITIAL TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO A PERCENTAGE OF TOTAL WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE PROJECT AS CALCULATED UNDER SUBSECTION (B)(2) OF THIS SECTION.

(II) AN INITIAL TAX CREDIT CERTIFICATE ISSUED UNDER THIS SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF TAX CREDIT FOR WHICH THE QUALIFIED BUSINESS ENTITY IS ELIGIBLE.

(III) 1. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE DEPARTMENT MAY NOT ISSUE

INITIAL TAX CREDIT CERTIFICATES FOR CREDIT AMOUNTS IN THE AGGREGATE TOTALING MORE THAN \$10,000,000 IN A FISCAL YEAR.

2. IF THE AGGREGATE CREDIT AMOUNTS UNDER INITIAL TAX CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR TOTAL LESS THAN THE MAXIMUM PROVIDED UNDER ITEM 1 OF THIS SUBPARAGRAPH, ANY EXCESS AMOUNT SHALL REMAIN IN THE RESERVE FUND AND MAY BE ISSUED UNDER INITIAL TAX CREDIT CERTIFICATES FOR THE NEXT FISCAL YEAR.

3. FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED FROM THE RESERVE FUND UNDER THE AUTHORITY OF ANY PROVISION OF LAW OTHER THAN UNDER PARAGRAPH (4) OF THIS SUBSECTION, THE MAXIMUM CREDIT AMOUNTS IN THE AGGREGATE FOR WHICH THE DEPARTMENT MAY ISSUE INITIAL TAX CREDIT CERTIFICATES SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

(IV) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND IN AN AMOUNT THAT IS NO LESS THAN THE AMOUNT THE DEPARTMENT REPORTS IS NECESSARY UNDER SUBSECTION (E) OF THIS SECTION TO:

1. MAINTAIN THE CURRENT LEVEL OF MANUFACTURING ACTIVITY IN THE STATE; AND

2. ATTRACT NEW MANUFACTURING ACTIVITY TO THE STATE.

(V) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN APPROPRIATION TO THE RESERVE FUND IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

(VI) BASED ON AN AMOUNT EQUAL TO A PERCENTAGE OF THE TOTAL ACTUAL WAGES PAID FOR EACH QUALIFIED POSITION AT AN ELIGIBLE PROJECT AS CALCULATED UNDER SUBSECTION (B)(2) OF THIS SECTION, THE DEPARTMENT SHALL ISSUE A FINAL TAX CREDIT CERTIFICATE TO THE QUALIFIED BUSINESS ENTITY.

(4) (I) EXCEPT AS PROVIDED IN THIS PARAGRAPH, MONEY APPROPRIATED TO THE RESERVE FUND SHALL REMAIN IN THE FUND.

(II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR QUARTER, THE DEPARTMENT SHALL NOTIFY THE COMPTROLLER AS TO EACH FINAL CREDIT CERTIFICATE ISSUED DURING THE QUARTER:

A. THE MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL TAX CREDIT CERTIFICATE FOR THE QUALIFIED BUSINESS ENTITY; AND

B. THE FINAL CERTIFIED CREDIT AMOUNT FOR THE QUALIFIED BUSINESS ENTITY.

2. ON NOTIFICATION THAT A FINAL CREDIT AMOUNT HAS BEEN CERTIFIED, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE CREDIT AMOUNT STATED IN THE INITIAL TAX CREDIT CERTIFICATE FOR THE QUALIFIED BUSINESS ENTITY FROM THE RESERVE FUND TO THE GENERAL FUND.

**(E) ON OR BEFORE JULY 1 EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE AMOUNT OF TAX CREDITS NECESSARY TO:**

**(1) MAINTAIN THE CURRENT LEVEL OF MANUFACTURING ACTIVITY IN THE STATE; AND**

**(2) ATTRACT NEW MANUFACTURING ACTIVITY TO THE STATE.**

**(F) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND PROCEDURES FOR THE APPLICATION FOR, APPROVAL OF, AND MONITORING OF CONTINUING ELIGIBILITY FOR THE TAX CREDIT UNDER THIS SECTION.’**

**AMENDMENT NO. 9**

On pages 10 and 11, strike in their entirety the lines beginning with line 24 on page 10 through line 27 on page 11, inclusive.

**AMENDMENT NO. 10**

On page 12, in line 10, strike “UNDER THIS SUBTITLE” and substitute “**IN A TIER I COUNTY, AS DEFINED UNDER § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE**”.

**AMENDMENT NO. 11**

On page 14, in line 14, strike “2016” and substitute “2017”.