

SENATE BILL 333

C8

3lr2057
CF 3lr2521

By: **Senators Hayes and Guzzone**

Introduced and read first time: January 27, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Regional Institution Strategic Enterprise Zone**
3 **Program – Alterations and Financing**

4 FOR the purpose of altering the period of time that an area may be designated as a Regional
5 Institution Strategic Enterprise (RISE) zone; repealing the prohibition on the
6 Secretary of Commerce from approving more than a certain number of RISE zones
7 in a certain area; extending the termination date of the RISE Zone Program;
8 authorizing a political subdivision to pledge certain revenues to secure the payment
9 of obligations to the Maryland Economic Development Corporation for infrastructure
10 improvements located in a RISE zone; and generally relating to the Regional
11 Institution Strategic Enterprise Zone Program.

12 BY repealing and reenacting, without amendments,
13 Article – Economic Development
14 Section 1–101(a) and (e), 5–1401(a) and (f), 12–201(a), 12–209(b), and 12–210(c)
15 Annotated Code of Maryland
16 (2018 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Economic Development
19 Section 5–1404(f), 5–1410, and 12–201(k)
20 Annotated Code of Maryland
21 (2018 Replacement Volume and 2022 Supplement)

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

24 **Article – Economic Development**

25 1–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (e) “Secretary” means the Secretary of Commerce.

3 5–1401.

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

5 (f) “RISE zone” means a geographic area in immediate proximity to a qualified
6 institution that is targeted for increased economic and community development that meets
7 the requirements of § 5–1404 of this subtitle and is designated as a Regional Institution
8 Strategic Enterprise zone by the Secretary under § 5–1404 of this subtitle.

9 5–1404.

10 (f) (1) (i) Subject to subparagraph (ii) of this paragraph, the designation of
11 an area as a RISE zone is effective for **[5] 10** years.

12 (ii) Upon a joint application of a qualified institution, a county and,
13 if applicable, a municipal corporation, or the economic development agency of a county or
14 municipal corporation, the Secretary may renew a RISE zone for an additional 5 years.

15 (2) The Secretary may not[:

16 (i) approve more than three RISE zones in a single county or
17 municipal corporation; or

18 (ii)] approve a RISE zone the geographic area of which exceeds 500
19 acres.

20 5–1410.

21 This subtitle and the tax credits and benefits authorized under it shall terminate on
22 January 1, **[2028] 2030**.

23 12–201.

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

25 (k) “MEDCO obligation” means a bond, note, or other similar instrument that the
26 Maryland Economic Development Corporation issues under authority other than this
27 subtitle to finance the cost of infrastructure improvements located in or supporting a
28 transit-oriented development, a sustainable community, **A RISE ZONE**, or a State hospital
29 redevelopment.

30 12–209.

1 (b) (1) Subject to paragraph (2) of this subsection, the political subdivision that
2 has created a special fund for a development district, a RISE zone, or a sustainable
3 community may pledge under an agreement that amounts deposited to the special fund
4 shall be paid over to secure payment on MEDCO obligations.

5 (2) The agreement shall:

6 (i) be in writing;

7 (ii) be executed by the political subdivision making the pledge, the
8 Maryland Economic Development Corporation, and the other persons that the governing
9 body of the political subdivision determines; and

10 (iii) run to the benefit of and be enforceable on behalf of the holders
11 of the MEDCO obligations secured by the agreement.

12 12–210.

13 (c) The governing body of a political subdivision, including the issuer, may pledge
14 by or under a resolution, including by an agreement with the issuer, as applicable, that
15 alternative local tax revenues generated within, or that are otherwise determined to be
16 attributable to, a development district that is a transit-oriented development, a RISE zone,
17 a sustainable community, or a State hospital redevelopment be paid, as provided in the
18 resolution, into the special fund to:

19 (1) secure the payment of debt service on bonds or MEDCO obligations; or

20 (2) be applied to the other purposes stated in § 12–209 of this subtitle.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2023.