

# SENATE BILL 333

C8

3lr2057  
CF HB 471

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By: **Senators Hayes and Guzzone**

Introduced and read first time: January 27, 2023

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 22, 2023

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## CHAPTER \_\_\_\_\_

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)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Economic Development**

4 1–101.

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

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

7 5–1401.

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

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

13 5–1404.

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

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

19 (2) The Secretary may not[:

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

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

24 5–1410.

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

27 12–201.

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

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

6 12–209.

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

11 (2) The agreement shall:

12 (i) be in writing;

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

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

18 12–210.

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

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

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Commerce  
28 shall study, in consultation with higher education institutions, counties, municipal  
29 corporations, economic development agencies, and any other entity or individual that the  
30 Department deems necessary, the effectiveness of the RISE Zone Program established  
31 under Title 5, Subtitle 14 of the Economic Development Article and, on or before December  
32 15, 2024, shall report to the General Assembly, in accordance with § 2–1257 of the State  
33 Government Article, the Department’s recommendations to improve the effectiveness of the  
34 Program.

1           SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2023.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.