

Chapter 523

(Senate Bill 333)

AN ACT concerning

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

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

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

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

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

Article – Economic Development

1–101.

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

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

5–1401.

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

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

5–1404.

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

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

(2) The Secretary may not~~†~~:

(i) **1. EXCEPT AS PROVIDED IN ITEM 2 OF THIS ITEM,** approve more than three RISE zones in a single county or municipal corporation; or

2. APPROVE MORE THAN FOUR RISE ZONES IN BALTIMORE CITY; OR

(ii)~~†~~ approve a RISE zone the geographic area of which exceeds 500 acres.

5–1410.

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

12–201.

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

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

12–209.

(b) (1) Subject to paragraph (2) of this subsection, the political subdivision that has created a special fund for a development district, a RISE zone, or a sustainable

community may pledge under an agreement that amounts deposited to the special fund shall be paid over to secure payment on MEDCO obligations.

(2) The agreement shall:

(i) be in writing;

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

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

12-210.

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

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

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

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

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

Approved by the Governor, May 8, 2023.