

SB0284/973528/1

BY: Appropriations Committee

AMENDMENTS TO SENATE BILL 284
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 10 down through “programs;” in line 12; and strike beginning with “requiring” in line 24 down through “vehicle;” in line 25.

On page 2, in line 6, after “certify;” insert “altering the total amount of final income tax certificates under the More Jobs for Marylanders Program that the Department of Commerce may issue each fiscal year; providing that benefits under the More Jobs for Marylanders Program may not be claimed on or after a certain date;”; in line 27, after “5–1901(g)(1) and (3)(iii)” insert “and 6–804”; in line 32, after “2–305(b)” insert “and 7–414.1(a), (b), and (f)(1) and (5)”; in line 37, strike “and” and substitute a comma; and in the same line, after “7–1A–01(l)” insert “, and 7–414.1(f)(4)”.

On page 3, in line 20, strike the third comma; in the same line, strike “10–6A–03(a) and (b)”; and in line 26, strike “10–6A–03(c).”.

On page 6, in line 23, strike “and 10–740(c) and (g)” and substitute “10–740(c) and (g), and 10–741”; strike in their entirety lines 26 through 30, inclusive; and in line 38, after “(e)” insert “and 17–106(a) through (d) and (e)(1)”.

On page 7, in line 4, strike “13–936 and”; and in the same line, after “13–955(f)” insert “and 17–106(e)(2)”.

On page 54, in lines 9, 14, and 20, strike “6.”, “7.”, and “8.”, respectively, and substitute “5.”, “6.”, and “7.”, respectively.

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On page 55, in lines 5, 20, and 28, strike “9.”, “10.”, and “11.”, respectively, and substitute “8.”, “9.”, and “10.”, respectively.

On page 56, in lines 8, 18, 22, 27, 29, and 31, strike “12.”, “13.”, “14.”, “15.”, “16.”, and “17.”, respectively, and substitute “11.”, “12.”, “13.”, “14.”, “15.”, and “16.”, respectively; and strike in their entirety lines 35 and 36.

On page 57, in line 1, strike “19.” and substitute “17.”; and in line 2, strike “16., 17., and 18.” and substitute “15 and 16.”.

AMENDMENT NO. 2

On pages 16 and 17, strike in their entirety the lines beginning with line 15 on page 16 through line 6 on page 17, inclusive.

AMENDMENT NO. 3

On page 33, in line 9, strike “the first year of implementation” and substitute “**FISCAL YEAR 2024**”; in line 10, strike “the third year of implementation” and substitute “**FISCAL YEAR 2026**”; in line 11, strike “**1,100**” and substitute “**750**”; in lines 11 and 12, strike “the fourth year of implementation” and substitute “**FISCAL YEAR 2027**”; in line 13, strike “**1,550**” and substitute “**1,100**”; in lines 13 and 14, strike “the fifth year of implementation” and substitute “**FISCAL YEAR 2028**”; in line 14, strike “AND”; in line 15, strike “**2,000**” and substitute “**1,550**”; and in lines 15 and 16, strike “**THE SIXTH YEAR OF IMPLEMENTATION**” and substitute “**FISCAL YEAR 2029; AND**”.

(VI) 2,000 CORPS PARTICIPANTS IN FISCAL YEAR 2030 AND EACH FISCAL YEAR THEREAFTER”.

AMENDMENT NO. 4

On pages 40 and 41, strike in their entirety the lines beginning with line 13 on page 40 through line 5 on page 41, inclusive.

AMENDMENT NO. 5

On page 42, after line 14, insert:

“Article – Education

7-414.1.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Fund” means the Driver Education in Public High Schools Fund.
- (3) “Program” means the Driver Education in Public High Schools Grant Program.
- (b) There is a Driver Education in Public High Schools Grant Program in the Department.
- (f) (1) There is a Driver Education in Public High Schools Fund.
- (4) The Fund consists of[:
- (i) Money received by the Fund from fines for vehicle security lapses under § 17-106 of the Transportation Article; and
- (ii) Any other] money from any [other] source accepted for the benefit of the Fund.
- (5) The Fund may be used only for:
- (i) Providing grants under the Program; and
- (ii) Administrative costs of the Program.”.

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On page 47, after line 15, insert:

“Article – Transportation

17–106.

(a) If the required security for any vehicle lapses at any time, the registration of that vehicle:

(1) Is suspended automatically as of the date of the lapse effective not later than 60 days after notification to the Administration that the lapse has occurred; and

(2) Remains suspended until:

(i) The required security is replaced and the vehicle owner submits evidence of replaced security on a form as prescribed by the Administration and certified by an insurer or insurance producer; and

(ii) Any uninsured motorist penalty fee assessed is paid to the Administration.

(b) (1) Except as provided in paragraph (2) of this subsection, each insurer or other provider of required security immediately shall notify the Administration electronically of those terminations or other lapses that are final.

(2) Each insurer or other provider of required security for a vehicle registered as a Class B (for hire) vehicle under Title 13 of this article shall notify the Administration within 45 days after a termination or other lapse that is final and occurs anytime after the required security is issued or provided.

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(c) On receipt of a notice under subsection (b) of this section, the Administration shall:

(1) Make a reasonable effort to notify the owner of the vehicle that his registration has been suspended; and

(2) Provide electronically the information contained in the notice of the suspension to the Uninsured Division of the Maryland Automobile Insurance Fund.

(d) (1) Within 48 hours after an owner is notified by the Administration of the suspension of registration, the owner shall surrender all evidences of that registration to the Administration.

(2) If the owner fails to surrender the evidences of registration within the 48-hour period, the Administration:

(i) Shall attempt to recover from the owner the evidences of registration; and

(ii) May suspend his license to drive until he returns to the Motor Vehicle Administration the evidences of registration.

(3) The Administration may enter into contracts with private parties to procure the services of independent agents to assist in the recovery of the evidences of registration as authorized in paragraph (2) of this subsection.

(e) (1) (i) 1. Except as provided in subparagraphs (iv) and (v) of this paragraph, in addition to any other penalty provided for in the Maryland Vehicle Law, if the required security for a vehicle terminates or otherwise lapses during its registration year, the Administration may assess the owner of the vehicle with a penalty of \$200 for each vehicle without the required security for a period of 1 to 30 days.

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2. If a fine is assessed, beginning on the 31st day the fine shall increase by a rate of \$7 for each day.

(ii) Each period during which the required security for a vehicle terminates or otherwise lapses shall constitute a separate violation.

(iii) The penalty imposed under this subsection may not exceed \$3,500 for each violation in a 12-month period.

(iv) The Administration may not assess a penalty under this subsection if:

1. The registration plates of the vehicle are returned to the Administration within 10 days after the termination or lapse of the required security, as shown by the records of the Administration; and

2. A. The certificate of title for the vehicle has been transferred to a new owner;

B. The registered owner has moved out-of-state and the registration plates are returned by mail;

C. A salvage certificate has been issued for the vehicle; or

D. A licensed dealer has taken possession of the vehicle with an obligation to return the registration plates.

(v) Before the Administration may assess a penalty under this subsection, the Administration shall first verify that the registration plates for the vehicle were not returned to the Administration within 10 days after the termination or lapse of the required security.

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(2) (i) Except as provided under paragraph (3) of this subsection, a penalty assessed under this subsection shall be paid as follows:

1. 70% to be allocated as provided in subparagraph (ii) of this paragraph; and

2. 30% to the Administration, which may be used by the Administration, subject to subsection (f) of this section, to provide funding for contracts with independent agents to assist in the recovery of evidences of registration as authorized in subsection (d)(3) of this section.

(ii) For each fiscal year beginning on or after July 1, 2014, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated among the Safe Schools Fund, the Vehicle Theft Prevention Fund, the Maryland Automobile Insurance Fund, [the Driver Education in Public High Schools Fund,] the State–Aided Institutions Field Trip Fund, and the General Fund as follows:

1. \$600,000 to the Safe Schools Fund;

2. \$2,000,000 to the Vehicle Theft Prevention Fund;

3. The amounts specified under subparagraph (iii) of this paragraph to the Maryland Automobile Insurance Fund;

4. [\$2,000,000 to the Driver Education in Public High Schools Fund;

5.] \$600,000 to the State–Aided Institutions Field Trip Fund; and

[6.] 5. The balance to the General Fund.

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(iii) 1. Except for fiscal year 2024 and except as provided under subparagraph 3 of this subparagraph, the amount distributed to the Maryland Automobile Insurance Fund under subparagraph (ii)3 of this paragraph shall equal the amount distributed to the Maryland Automobile Insurance Fund in the prior fiscal year under the provisions of this paragraph adjusted by the change for the calendar year preceding the fiscal year in the Consumer Price Index – All Urban Consumers – Medical Care as published by the United States Bureau of Labor Statistics.

2. For fiscal year 2024, the amount distributed to the Maryland Automobile Insurance Fund under subparagraph (ii)3 of this paragraph shall equal the amount distributed to the Maryland Automobile Insurance Fund in the prior fiscal year under the provisions of this paragraph adjusted by the change for the calendar year preceding the fiscal year in the Consumer Price Index – All Urban Consumers – Medical Care as published by the United States Bureau of Labor Statistics plus an additional \$2,000,000.

3. For fiscal year 2025, the amount distributed to the Maryland Automobile Insurance Fund under subparagraph (ii)3 of this paragraph shall equal the amount distributed to the Maryland Automobile Insurance Fund calculated in accordance with subparagraph 1 of this subparagraph:

A. Plus an additional \$3,000,000 dedicated to the exclusive use of the Uninsured Division, which shall become part of the base amount used to calculate the amount distributed under subparagraph 1 of this subparagraph in subsequent fiscal years; but

B. Excluding the \$2,000,000 distributed to the Fund in fiscal year 2024.”.

AMENDMENT NO. 6

On page 47, after line 17, insert:

“Article – Economic Development

6–804.

(a) (1) Except as provided in [paragraph (2)] PARAGRAPHS (2) AND (3) of this subsection, the Program benefits authorized under this section may be claimed by a qualified business entity for up to 10 consecutive benefit years.

(2) In the case of a qualified business entity that is located in a Tier II area and is provided a certificate under § 6–805 of this subtitle on or after June 1, 2022, the Program benefits authorized under this section may be claimed by the qualified business entity for up to 5 consecutive benefit years.

(3) (I) THE PROGRAM BENEFITS AUTHORIZED UNDER THIS SECTION MAY NOT BE CLAIMED BY A QUALIFIED BUSINESS ENTITY AFTER JUNE 30, 2037.

(II) THE CREDIT AGAINST THE STATE INCOME TAX ESTABLISHED UNDER § 10–741(B) OF THE TAX – GENERAL ARTICLE MAY NOT BE CLAIMED FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2036.

(b) On enrollment in the Program:

(1) a new business entity in a Tier I area that is provided a certificate under § 6–805 of this subtitle before June 1, 2022, is eligible for:

(i) a credit against the State income tax, established under § 10–741(b) of the Tax – General Article;

(ii) a credit against the State property tax, established under § 9–110 of the Tax – Property Article;

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(iii) a refund of sales and use tax paid during the immediately preceding taxable year, as provided under § 11–411 of the Tax – General Article; and

(iv) a waiver of fees charged by the State Department of Assessments and Taxation, established under § 1–203.1 of the Corporations and Associations Article; and

(2) except as provided in subsection (c) of this section, a new business entity not described under item (1) of this subsection or an existing business entity that operates an eligible project is 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.

(d) If the number of qualified positions at the eligible project decreases to a number less than the number established in the first benefit year, the project shall be removed from the Program and all program benefits terminate.”.

On page 51, after line 9, insert:

“10–741.

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

(2) “Business entity” has the meaning stated in § 6–801 of the Economic Development Article.

(3) “Department” means the Department of Commerce.

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(4) “Eligible project” has the meaning stated in § 6–801 of the Economic Development Article.

(5) “Existing business entity” has the meaning stated in § 6–801 of the Economic Development Article.

(6) “New business entity” has the meaning stated in § 6–801 of the Economic Development Article.

(7) “Qualified business entity” has the meaning stated in § 6–801 of the Economic Development Article.

(8) “Qualified position” has the meaning stated in § 6–801 of the Economic Development Article.

(9) “Tier I area” has the meaning stated in § 6–801 of the Economic Development Article.

(10) “Tier II area” has the meaning stated in § 6–801 of the Economic Development Article.

(b) (1) Subject to the limitations of this section, an individual or corporation that is a new business entity that operates an eligible project in a Tier I area or an existing business entity that operates an eligible project may claim a credit against the State income tax equal to the amount stated in the final tax credit certificate approved by the Department for an eligible project.

(2) The amount of the credit authorized under paragraph (1) of this subsection is equal to the product of:

(i) 1. if the qualified business entity received a certificate under § 6–805 of the Economic Development Article before June 1, 2022, 5.75%; or

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2. if the qualified business entity received a certificate under § 6–805 of the Economic Development Article on or after June 1, 2022, 4.75%; and

(ii) the total amount of wages paid for each qualified position at an eligible project.

(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.

(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 subsection (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 area, 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.

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(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:

A. with respect to qualified business entities provided a certificate under § 6–805 of the Economic Development Article before June 1, 2022, \$9,000,000 in a fiscal year; and

B. with respect to qualified business entities provided a certificate under § 6–805 of the Economic Development Article on or after June 1, 2022, \$5,000,000 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

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subsubparagraph 1 of this subparagraph, any excess amount shall remain in the Reserve Fund.

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;
2. attract new manufacturing activity to the State; and
3. attract new businesses to and encourage the expansion of existing businesses within opportunity zones in 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) 1. [Based] **SUBJECT TO SUBSUBPARAGRAPHS 2, 3, AND 4 OF THIS SUBPARAGRAPH, 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.

2. FOR FISCAL YEAR 2027 AND EACH FISCAL YEAR THEREAFTER, THE TOTAL AMOUNT OF FINAL TAX CREDIT CERTIFICATES ISSUED BY THE DEPARTMENT MAY NOT EXCEED \$15,000,000.

3. IF THE TOTAL AMOUNT OF FINAL TAX CREDIT CERTIFICATES THE DEPARTMENT IS REQUIRED TO ISSUE UNDER THIS SUBPARAGRAPH EXCEEDS \$15,000,000 IN ANY FISCAL YEAR, THE DEPARTMENT SHALL ISSUE FINAL TAX CREDIT CERTIFICATES TO QUALIFIED BUSINESS ENTITIES ON A PRO RATA BASIS.

4. THE DEPARTMENT MAY NOT ISSUE A FINAL TAX CREDIT CERTIFICATE FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2036.

(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] FINAL tax credit certificate for the qualified business entity from the Reserve Fund to the General Fund.

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(e) On or before July 1 each year, the Department shall report to the Governor and, subject to § 2–1257 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;
- (2) attract new manufacturing activity to the State; and
- (3) attract new businesses to and encourage the expansion of existing businesses within opportunity zones in 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. 7

On pages 52 through 54, strike in their entirety the lines beginning with line 24 on page 52 through line 8 on page 54, inclusive.