HOUSE BILL 1026

C8 0lr1768

By: **Delegates Palakovich Carr and Feldmark**
Introduced and read first time: February 5, 2020
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development Programs – Data Collection, Tracking, and Reporting**
3 **Requirements – Alteration**

4 FOR the purpose of altering the definition of "economic development program" for purposes
5   of certain data collection, tracking, and reporting requirements of the Maryland Jobs
6   Development Act to include certain tax credit programs; requiring the Department
7   of Commerce, on or before a certain date, to make available on the Department's
8   website in a certain format certain information relating to the recipients of economic
9   development program tax credits or financial assistance and update that information
10   annually; and generally relating to the Maryland Jobs Development Act and
11   economic development programs administered by the Department of Commerce.

12 BY repealing and reenacting, with amendments,
13   Article – Economic Development
14   Section 2.5–109
15   Annotated Code of Maryland
16   (2018 Replacement Volume and 2019 Supplement)

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

Article – Economic Development

20 2.5–109.

21   (a)   In this section, "economic development program" means:

22   (1)   the Economic Development Opportunities Program Account
23 established under § 7–314 of the State Finance and Procurement Article;

24   (2)   the Partnership for Workforce Quality Program established under Title

1   3, Subtitle 4 of this article;

2   (3)   each of the economic development and financial assistance programs
3   established under Title 5 of this article; and

4   (4)   each of the tax credit programs administered by the Department,
5   including:

6   (i)   the Film Production Activity Tax Credit;

7   (ii)   the Job Creation Tax Credit;

8   (iii)   the One Maryland Economic Development Tax Credit;

9   (iv)   the Biotechnology Investment Incentive Tax Credit;

10   (v)   the Research and Development Tax Credit;

11   (vi)   the   Security   Clearance   Administrative   Expenses   and
12   Construction and Equipment Costs Tax Credit;

13   (vii)   the Cybersecurity Investment Incentive Tax Credit; **[**and**]**

14   **(VIII) THE MORE JOBS FOR MARYLANDERS TAX CREDIT;**

15   **(IX)   THE PURCHASE OF CYBERSECURITY TECHNOLOGY OR**
16   **SERVICE TAX CREDIT;**

17   **(X)   THE OPPORTUNITY ZONE ENHANCEMENT TAX CREDIT;**

18   **(XI)   THE SMALL BUSINESS RELIEF TAX CREDIT; AND**

19   **[**(viii)**] (XII)** the Aerospace, Electronics, or Defense Contract Tax
20   Credit.

21   (b)   The Department shall compile data in accordance with this section on the
22   economic development programs administered by the Department.

23   (c)   On or before December 31, 2013, and each year thereafter, the Department
24   shall submit a report on the economic development programs that were administered by
25   the Department during the previous fiscal year to the Governor and, in accordance with §
26   2–1257 of the State Government Article, the General Assembly.

27   (d)   (1)   The report required under this section shall include the following data,
28   if applicable, on the economic development programs administered by the Department:

1   (i)   the number of jobs created;

2   (ii)   the number of jobs retained;

3   (iii)   the estimated amount of State revenue generated;

4   (iv)   the status of any special fund; and

5   (v)   any additional information required by the Department through
6 regulations.

7   (2)   The report required under this section shall include data in the
8 aggregate and disaggregated by:

9   (i)   each economic development program; and

10   (ii)   each recipient of assistance from an economic development
11 program.

12   (3)   The report required under this section shall include any additional
13 information required under the law authorizing the economic development program.

14   **(E)**   **ON OR BEFORE DECEMBER 31, 2020, IN ADDITION TO THE REPORT**
15 **REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, THE DEPARTMENT SHALL**
16 **ESTABLISH, MAINTAIN, AND UPDATE ANNUALLY A PUBLICLY AVAILABLE DATABASE**
17 **ON THE DEPARTMENT'S WEBSITE THAT:**

18   **(1)**   **PROVIDES INFORMATION THAT IS DOWNLOADABLE BY THE**
19 **PUBLIC IN A COMMON MACHINE–READABLE FORMAT; AND**

20   **(2)**   **INCLUDES:**

21   **(I)**   **THE NAME OF EACH BUSINESS ENTITY THAT IS A RECIPIENT**
22 **OF AN ECONOMIC DEVELOPMENT PROGRAM;**

23   **(II)**   **THE TOTAL AMOUNT OF TAX CREDITS CERTIFIED,**
24 **FINANCIAL ASSISTANCE PAID, AND LOANS FORGIVEN OR UNCOLLECTIBLE BY THE**
25 **DEPARTMENT, REPORTED IN THE AGGREGATE FOR EACH ECONOMIC**
26 **DEVELOPMENT PROGRAM AND EACH RECIPIENT OF THE TAX CREDIT OR FINANCIAL**
27 **ASSISTANCE;**

28   **(III) 1.**   **FOR ANY TAX CREDIT OR FINANCIAL ASSISTANCE**
29 **THAT IS CERTIFIED OR PAID BY THE DEPARTMENT TO INCENTIVIZE JOB CREATION**
30 **OR RETENTION:**

1   **A.   THE NUMBER OF JOBS EACH RECIPIENT OF THE**
2   **CREDIT OR ASSISTANCE CLAIMED IT WOULD CREATE OR RETAIN IN ITS APPLICATION**
3   **FOR THE CREDIT OR ASSISTANCE;**

4   **B.   THE NUMBER OF JOBS ACTUALLY CREATED OR**
5   **RETAINED BY EACH RECIPIENT; AND**

6   **C.   THE AVERAGE SALARY OF THE JOBS CREATED OR**
7   **RETAINED BY EACH RECIPIENT; AND**

8   **2.   FOR ANY TAX CREDIT OR AMOUNT OF FINANCIAL**
9   **ASSISTANCE THAT IS CERTIFIED OR AWARDED BY THE DEPARTMENT TO**
10 **INCENTIVIZE ACTIVITIES OTHER THAN JOB CREATION OR RETENTION, A**
11 **DESCRIPTION OF HOW THE CREDIT OR ASSISTANCE BENEFITS THE STATE; AND**

12   **(IV) A STATEMENT INDICATING WHETHER, DURING THE**
13 **CURRENT REPORTING YEAR, THE DEPARTMENT REDUCED, REVOKED, OR**
14 **RECAPTURED A TAX CREDIT OR ANY AMOUNT OF FINANCIAL ASSISTANCE FROM A**
15 **RECIPIENT AND, IF APPLICABLE:**

16   **1.   THE TOTAL AMOUNT RECOVERED AS A RESULT OF THE**
17 **REDUCTION, REVOCATION, OR RECAPTURE, AND ANY PENALTY ASSESSED; AND**

18   **2.   A JUSTIFICATION FOR THE REDUCTION, REVOCATION,**
19 **OR RECAPTURE.**

20   **[**(e)**] (F)**   If a recipient of assistance from an economic development program is
21 not meeting the requirements of the economic development program, the Department shall
22 implement a process to assist the recipient in meeting the program requirements.

23   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2020.