

# HOUSE BILL 468

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By: **Chair, Economic Matters Committee (By Request – Departmental – Business and Economic Development)**

Introduced and read first time: January 27, 2014

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Economic Development Assistance Fund – Training and**  
3 **Technology Projects**

4 FOR the purpose of altering the permissible uses of financial assistance from the  
5 Maryland Economic Development Assistance Fund in the Department of  
6 Business and Economic Development to include certain training projects and  
7 working capital for certain technology projects; providing for the terms and  
8 conditions under which financial assistance for training projects and technology  
9 projects may be provided from the Fund; defining certain terms; and generally  
10 relating to the use of the Maryland Economic Development Assistance Fund for  
11 training and technology projects.

12 BY repealing and reenacting, without amendments,  
13 Article – Economic Development  
14 Section 5–301(a), (g), (m), and (n)  
15 Annotated Code of Maryland  
16 (2008 Volume and 2013 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Economic Development  
19 Section 5–301(v) and (w), 5–321(b)(1), 5–322(a), and 5–325(b)(2) and (e)  
20 Annotated Code of Maryland  
21 (2008 Volume and 2013 Supplement)

22 BY adding to  
23 Article – Economic Development  
24 Section 5–301(w) and (x)  
25 Annotated Code of Maryland  
26 (2008 Volume and 2013 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Economic Development**

4 5–301.

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

6 (g) “Authority” means the Maryland Economic Development Assistance  
7 Authority.

8 (m) “Financial assistance” means a grant, loan, or investment provided under  
9 this subtitle.

10 (n) “Fund” means the Maryland Economic Development Assistance Fund.

11 (v) “Specialized economic development opportunity” means:

12 (1) an aquaculture project;

13 (2) an arts and entertainment enterprise;

14 (3) an arts and entertainment project;

15 (4) the redevelopment of a qualified brownfields site; [or]

16 (5) a project to create or expand a child care facility;

17 **(6) A TECHNOLOGY PROJECT; OR**

18 **(7) A TRAINING PROJECT.**

19 **(w) “TECHNOLOGY PROJECT” MEANS A SMALL OR EARLY STAGE**  
20 **BUSINESS ENGAGED IN COMMERCIAL PRODUCT DEVELOPMENT IN EMERGING**  
21 **TECHNOLOGY SECTORS, INCLUDING CYBERSECURITY, SPACE, UNMANNED**  
22 **AERIAL VEHICLES, DATA ANALYTICS, AND RENEWABLE ENERGY.**

23 **(x) “TRAINING PROJECT” MEANS A PROJECT THAT PROMOTES THE**  
24 **TRAINING OF FULL-TIME PERMANENT EMPLOYEES.**

25 [(w)] (y) “Working capital” means money to be used for current operations  
26 of a business.

27 5–321.

1 (b) (1) For the purpose of providing financial assistance under this  
2 subtitle, the following are deemed to be in eligible industry sectors:

3 (i) aquaculture projects;

4 (ii) arts and entertainment enterprises;

5 (iii) arts and entertainment projects;

6 (iv) redevelopment of qualified brownfields sites;

7 (v) creation or expansion of child care facilities;

8 (vi) projects in areas that are declared to be federal disaster  
9 areas within 1 year before the Department receives an application for financial  
10 assistance under this subtitle; [and]

11 (vii) feasibility studies;

12 **(VIII) TECHNOLOGY PROJECTS; AND**

13 **(IX) TRAINING PROJECTS.**

14 5-322.

15 (a) Financial assistance from the Fund may be used only to finance costs  
16 incurred for:

17 (1) construction or acquisition of a building or real property, and  
18 associated development and carrying costs;

19 (2) construction, acquisition, or installation of equipment, furnishings,  
20 fixtures, leasehold improvements, site improvements, or infrastructure improvements,  
21 including rail line enhancements on or to the site of an economic development project,  
22 and associated development and carrying costs;

23 (3) working capital for significant strategic economic development  
24 opportunities, arts and entertainment enterprises, [or] arts and entertainment  
25 projects, **OR TECHNOLOGY PROJECTS;**

26 (4) redevelopment of qualified brownfields sites;

27 (5) subject to § 5-325(b)(3) of this subtitle, construction, purchase, or  
28 renovation of real property, fixtures, or equipment related to a child care facility;

1 (6) if supported by a resolution adopted by the governing body of the  
2 jurisdiction in which a project may be located, feasibility studies;

3 (7) subject to § 5–325(b)(4) of this subtitle, preparation of a county’s or  
4 municipal corporation’s strategy or plan for economic development; [and]

5 (8) a project intended to assist businesses in areas that are declared to  
6 be federal disaster areas, but only if the Department receives an application for  
7 financial assistance within 1 year after the declaration of the federal disaster area;  
8 **AND**

9 **(9) TRAINING PROJECTS.**

10 5–325.

11 (b) (2) Financial assistance from the Fund may constitute 100% of the  
12 total costs of the project being financed if:

13 (i) the recipient is the Corporation; or

14 (ii) the financial assistance is for:

15 1. an arts and entertainment enterprise;

16 2. an arts and entertainment project; [or]

17 3. a qualified distressed county project;

18 **4. A TECHNOLOGY PROJECT; OR**

19 **5. A TRAINING PROJECT.**

20 (e) The term of a loan from the Fund may not exceed:

21 (1) for working capital, 3 years;

22 (2) for financing equipment, furnishings, or fixtures, the lesser of 15  
23 years or the useful life of the asset, as determined by the Department;

24 (3) for financing the construction or acquisition of buildings and real  
25 property, 25 years; and

26 (4) for financing [the redevelopment of a qualified brownfields site or a  
27 qualified distressed county project] **ANY OF THE FOLLOWING**, a term approved by the  
28 Department or Authority:

- 1                                   **(I)    THE REDEVELOPMENT OF A QUALIFIED BROWNFIELDS**  
2 **SITE;**
- 3                                   **(II)   A QUALIFIED DISTRESSED COUNTY PROJECT;**
- 4                                   **(III)  A TECHNOLOGY PROJECT; OR**
- 5                                   **(IV)  A TRAINING PROJECT.**

6                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 2014.