

HB0540/835968/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 540

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “State Income and Property Tax Credits –”; in the same line, after “Zone” insert “– State Income Tax Credit and Grant Program”; in line 5, strike “and State property tax”; in line 6, strike “Transportation” and substitute “Commerce”; in the same line, strike “Comptroller” and substitute “Department of Transportation”; in line 7, after “business;” insert “providing that the amount of the credit may not exceed a certain amount;”; in line 8, strike “to provide certain businesses with certain applications” and substitute “of Commerce, in consultation with the Department of Transportation, to develop and make available a certain application that certain businesses may use for a certain purpose; prohibiting the Department of Commerce from certifying certain business revenue losses in excess of a certain amount; requiring the Department of Commerce to approve a prorated amount of business revenue losses for each applicant under certain circumstances”; in line 9, after “refundable;” insert “authorizing, under certain circumstances, certain businesses to apply for the income tax credit regardless of ownership or location; establishing the Purple Line Construction Zone Grant Program; establishing the purpose of the Grant Program; requiring the Department of Commerce to implement and administer the Grant Program;”; in the same line, after “Department” insert “of Commerce, in consultation with the Department of Transportation,”; in the same line, after “adopt” insert “certain”; in lines 9 and 10, strike “to administer the income tax credit”; strike beginning with “requiring” in line 10 down through “expire;” in line 14 and substitute “requiring the Department of Commerce and the Department of Transportation to consult qualified small businesses for a certain purpose; requiring the Department of Commerce to make a certain application available as soon as practicable; establishing a maximum amount for a certain grant awarded; authorizing the Department of Commerce to award grants until a certain time; prohibiting the Department of Commerce from awarding more than one grant to the same business in a certain period”

(Over)

HB0540/835968/1 Committee on Ways and Means
Amendments to HB 540
Page 2 of 7

of time; requiring that certain money revert to the Maryland Economic Development Assistance Fund; providing that the Department of Commerce may use a certain projection for a certain purpose;; in line 15, after “Act;” insert “providing for the termination of this Act;”; in the same line, after “to” insert “the Purple Line Construction Zone Grant Program and a”; in lines 15 and 16, strike “and property tax credits” and substitute “tax credit”; after line 22, insert:

“BY adding to

Article - Economic Development

Section 17-101 to be under new subtitle “Subtitle 17. Purple Line Construction Zone Grant Program”

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement)”;

and strike in their entirety lines 23 through 27, inclusive.

AMENDMENT NO. 2

On page 2, in lines 5, 7, 12, 17, 23, and 28, in each instance, after “**QUALIFIED**” insert “**SMALL**”; in line 6, strike “**§ 9–112 OF THE TAX – PROPERTY ARTICLE**” and substitute “**§ 17–101 OF THE ECONOMIC DEVELOPMENT ARTICLE**”; in line 7, after “**(B)**” insert “**(1)**”; in lines 9, 14, 18, 21, and 24, in each instance, strike “**INCOME**” and substitute “**REVENUE**”; after line 11, insert:

“(2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED \$25,000 FOR EACH QUALIFIED SMALL BUSINESS.”;

in lines 13, 16, 23, and 30, in each instance, strike “**TRANSPORTATION**” and substitute “**COMMERCE**”; in line 13, strike “**COMPROLLER**” and substitute “**DEPARTMENT OF TRANSPORTATION**”; in line 16, strike “**EACH YEAR THE**” and substitute “**THE**”; in the same line, before “**SHALL**” insert “**, IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION,**”; in line 17, strike “**PROVIDE**” and substitute “**DEVELOP AND**”

MAKE AVAILABLE AN APPLICATION IN WHICH"; in the same line, strike "WITH AN APPLICATION TO" and substitute "MAY"; after line 25, insert:

"(4) (I) THE TOTAL AMOUNT OF BUSINESS REVENUE LOSSES CERTIFIED BY THE DEPARTMENT OF COMMERCE UNDER PARAGRAPH (3) OF THIS SUBSECTION MAY NOT EXCEED \$1,000,000 FOR ANY CALENDAR YEAR.

(II) IF THE TOTAL AMOUNT OF BUSINESS REVENUE LOSSES CLAIMED BY ALL QUALIFIED SMALL BUSINESSES UNDER THIS SUBSECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT OF COMMERCE SHALL APPROVE AN AMOUNT OF BUSINESS REVENUE LOSSES UNDER SUBSECTION (C) OF THIS SECTION FOR EACH APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE BUSINESS REVENUE LOSSES CLAIMED BY THE APPLICANT TIMES A FRACTION:

1. THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

2. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL BUSINESS REVENUE LOSSES CLAIMED BY ALL APPLICANTS UNDER THIS SUBSECTION IN THE CALENDAR YEAR."

in line 30, after "(F)" insert "IF A QUALIFIED SMALL BUSINESS IS REQUIRED TO BE REGISTERED WITH THE STATE AND IS REGISTERED, THE QUALIFIED SMALL BUSINESS MAY APPLY FOR THE TAX CREDIT UNDER THIS SECTION REGARDLESS OF OWNERSHIP OR LOCATION.

(G)";

(Over)

and in the same line, before “SHALL” insert “, IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION,”.

AMENDMENT NO. 3

On page 3, strike in their entirety lines 2 and 3 and substitute:

“Article – Economic Development

SUBTITLE 17. PURPLE LINE CONSTRUCTION ZONE GRANT PROGRAM.

17-101.”;

in line 6, after “(2)” insert ““GRANT PROGRAM” MEANS THE PURPLE LINE CONSTRUCTION ZONE GRANT PROGRAM.

(3)”;

in line 7, strike “OF TRANSPORTATION”; in line 10, strike “(3)” and substitute “(4)”; in the same line, after “QUALIFIED” insert “SMALL”; strike beginning with “A” in line 10 down through “IS” in line 11 and substitute “A SOLE PROPRIETORSHIP, A PARTNERSHIP, A LIMITED PARTNERSHIP, A LIMITED LIABILITY PARTNERSHIP, A LIMITED LIABILITY COMPANY, OR A CORPORATION THAT:

(I) EMPLOYS 20 OR FEWER EMPLOYEES;

(II) IS INDEPENDENTLY OWNED AND OPERATED;

(III) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

(IV) IS NOT DOMINANT IN ITS FIELD OF OPERATION; AND

(V) IS”;

and strike in their entirety lines 14 through 33, inclusive, and substitute:

“(B) (1) THERE IS A PURPLE LINE CONSTRUCTION ZONE GRANT PROGRAM.

(2) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE FUNDS TO QUALIFIED SMALL BUSINESSES TO ASSIST IN OFFSETTING BUSINESS REVENUE LOST AS A RESULT OF THE CONSTRUCTION OF THE PURPLE LINE LIGHT RAIL PROJECT IN MONTGOMERY COUNTY AND PRINCE GEORGE’S COUNTY.

(C) THE DEPARTMENT SHALL IMPLEMENT AND ADMINISTER THE GRANT PROGRAM.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING REGULATIONS TO:

(I) ESTABLISH ELIGIBILITY AND GRANT APPLICATION REQUIREMENTS; AND

(II) ESTABLISH A PROCESS FOR REVIEWING GRANT APPLICATIONS AND AWARDING GRANTS TO ELIGIBLE QUALIFIED SMALL BUSINESSES.

(Over)

(2) IN DEVELOPING THE REGULATIONS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT AND THE DEPARTMENT OF TRANSPORTATION SHALL CONSULT QUALIFIED SMALL BUSINESSES TO ENSURE THAT THE ELIGIBILITY AND APPLICATION REQUIREMENTS FOR THE GRANT PROGRAM ARE NOT OVERLY BURDENSOME TO QUALIFIED SMALL BUSINESSES.

(3) THE DEPARTMENT SHALL MAKE THE APPLICATION DEVELOPED FOR PURPOSES OF THE GRANT PROGRAM AVAILABLE TO QUALIFIED SMALL BUSINESSES AS SOON AS PRACTICABLE.

(E) (1) (I) SUBJECT TO THE LIMITATIONS OF THIS PARAGRAPH, THE DEPARTMENT SHALL ESTABLISH, BY REGULATION, A GUIDELINE TO CALCULATE THE AMOUNT OF A GRANT AWARDED UNDER THIS SECTION.

(II) IN ESTABLISHING GUIDELINES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT OF COMMERCE MAY USE A 12-MONTH PROJECTION OF THE DIFFERENCE BETWEEN THE BUSINESS REVENUE OF A QUALIFIED SMALL BUSINESS DURING THE 3-MONTH PERIOD IMMEDIATELY PRECEDING THE START OF THE PURPLE LINE CONSTRUCTION COMPARED TO THE 3-MONTH PERIOD IMMEDIATELY FOLLOWING THE START OF THE PURPLE LINE CONSTRUCTION.

(III) A GRANT AWARDED UNDER THE GRANT PROGRAM MAY NOT EXCEED \$50,000.

(2) SUBJECT TO THE ELIGIBILITY REQUIREMENTS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION, IF A QUALIFIED SMALL BUSINESS IS REQUIRED TO BE REGISTERED WITH THE STATE AND IS REGISTERED, THE

QUALIFIED SMALL BUSINESS MAY APPLY FOR A GRANT UNDER THE GRANT PROGRAM REGARDLESS OF OWNERSHIP OR LOCATION.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DEPARTMENT MAY AWARD GRANTS UNTIL ALL THE MONEY ALLOTTED FOR THE GRANT PROGRAM HAS BEEN AWARDED OR UNTIL DECEMBER 31, 2024, WHICHEVER OCCURS FIRST.

(II) THE DEPARTMENT MAY NOT AWARD MORE THAN ONE GRANT TO THE SAME QUALIFIED SMALL BUSINESS IN A 12-MONTH PERIOD.

(4) ANY MONEY THAT HAS NOT BEEN AWARDED ON OR BEFORE DECEMBER 31, 2024, SHALL REVERT TO THE MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE FUND.”.

AMENDMENT NO. 4

On page 4, strike lines 3 and 4 in their entirety; in line 5, strike “5.” and substitute “4.”; in the same line, strike “June” and substitute “July”; and in line 6, after “2020.” insert “It shall remain effective for a period of 5 years and, at the end of June 30, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.”.