

# HOUSE BILL 550

P1  
HB 1086/14 – HGO

5lr1072

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By: **Delegates McMillan, Pena–Melnyk, and Reznik**  
Introduced and read first time: February 11, 2015  
Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Aid – Business Transparency and Financial Disclosure Act**

3 FOR the purpose of requiring certain corporations that receive certain State subsidies of at  
4 least a certain amount to file a certain annual disclosure report with the granting  
5 body that provides the subsidy; requiring the disclosure report to contain certain  
6 information; requiring the disclosure report to be provided on or before a certain  
7 date; requiring a granting body to publish the disclosure report on the granting  
8 body’s Web site on or before a certain date; defining certain terms; and generally  
9 relating to the filing of certain disclosure reports.

10 BY adding to

11 Article – State Finance and Procurement  
12 Section 7–407  
13 Annotated Code of Maryland  
14 (2009 Replacement Volume and 2014 Supplement)

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

17 **Article – State Finance and Procurement**

18 **7–407.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
20 INDICATED.

21 (2) “CORPORATE PARENT” MEANS A PERSON, AN ASSOCIATION, A  
22 CORPORATION, A JOINT VENTURE, A PARTNERSHIP, OR ANY OTHER ENTITY THAT  
23 OWNS OR CONTROLS AT LEAST 50% OF A RECIPIENT CORPORATION.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(3) "FULL-TIME JOB" MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
2 **EMPLOYED BY A RECIPIENT CORPORATION FOR AT LEAST 35 HOURS PER WEEK.**

3           **(4) "GRANTING BODY" MEANS A UNIT OF STATE GOVERNMENT OR**  
4 **ANY OTHER STATE ENTITY THAT PROVIDES A STATE SUBSIDY.**

5           **(5) (I) "NEW EMPLOYEE" MEANS A FULL-TIME EMPLOYEE WHO**  
6 **REPRESENTS A NET INCREASE IN THE NUMBER OF INDIVIDUALS EMPLOYED BY THE**  
7 **RECIPIENT CORPORATION IN THE STATE.**

8                         **(II) "NEW EMPLOYEE" DOES NOT INCLUDE AN EMPLOYEE WHO**  
9 **PERFORMS A JOB THAT WAS PREVIOUSLY PERFORMED BY ANOTHER EMPLOYEE OF**  
10 **THE RECIPIENT CORPORATION IF THAT JOB EXISTED FOR AT LEAST 6 MONTHS**  
11 **BEFORE HIRING THE NEW EMPLOYEE.**

12           **(6) "PART-TIME JOB" MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
13 **EMPLOYED BY A RECIPIENT CORPORATION FOR FEWER THAN 35 HOURS PER WEEK.**

14           **(7) (I) "RECIPIENT CORPORATION" MEANS A BUSINESS, AN**  
15 **ASSOCIATION, A CORPORATION, A JOINT VENTURE, A PARTNERSHIP, OR ANY OTHER**  
16 **BUSINESS ENTITY THAT RECEIVES A STATE SUBSIDY.**

17                         **(II) "RECIPIENT CORPORATION" DOES NOT INCLUDE AN**  
18 **INDIVIDUAL.**

19           **(8) (I) "STATE SUBSIDY" MEANS ANY STATE AID WITH A TOTAL**  
20 **VALUE OF AT LEAST \$50,000 PROVIDED TO A RECIPIENT CORPORATION IN A**  
21 **CALENDAR YEAR.**

22                         **(II) "STATE SUBSIDY" INCLUDES LOANS, LOAN GUARANTEES,**  
23 **FEE WAIVERS, MATCHING FUNDS, TAX ABATEMENTS, TAX EXEMPTIONS, AND TAX**  
24 **CREDITS, EXCLUDING SALES AND PROPERTY TAX EXEMPTIONS AND CREDITS.**

25           **(9) "SUBSIDY VALUE" MEANS THE FACE VALUE OF ALL STATE**  
26 **SUBSIDIES PROVIDED TO A RECIPIENT CORPORATION.**

27           **(10) "TEMPORARY JOB" MEANS A JOB IN WHICH AN INDIVIDUAL IS**  
28 **HIRED FOR A SEASON OR FOR A LIMITED PERIOD OF TIME.**

29           **(B) (1) EACH RECIPIENT CORPORATION SHALL FILE A DISCLOSURE**  
30 **REPORT WITH THE GRANTING BODY AS PROVIDED IN THIS SUBSECTION.**

31                         **(2) (I) IF THE GRANTING BODY IS THE DEPARTMENT OF BUSINESS**  
32 **AND ECONOMIC DEVELOPMENT, THE DEPARTMENT SHALL REQUIRE A RECIPIENT**

1 CORPORATION THAT RECEIVES A STATE SUBSIDY UNDER ANY OF THE FOLLOWING  
2 PROGRAMS TO FILE A DISCLOSURE REPORT:

- 3 1. THE JOB CREATION TAX CREDIT;
- 4 2. THE ONE MARYLAND TAX CREDIT;
- 5 3. THE MARYLAND ECONOMIC DEVELOPMENT  
6 ASSISTANCE AUTHORITY AND FUND (MEDAAF) PROGRAM FINANCIAL ASSISTANCE  
7 FOR SIGNIFICANT STRATEGIC ECONOMIC DEVELOPMENT OPPORTUNITIES AND  
8 LOCAL ECONOMIC DEVELOPMENT OPPORTUNITIES; AND
- 9 4. THE ECONOMIC DEVELOPMENT OPPORTUNITIES  
10 PROGRAM FUND (EDOPF).

11 (II) THE DISCLOSURE REPORT REQUIRED UNDER  
12 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE THE FOLLOWING  
13 INFORMATION:

- 14 1. FOR THE JOB CREATION TAX CREDIT AND THE ONE  
15 MARYLAND TAX CREDIT:
  - 16 A. THE NAMES OF THE TAXPAYERS THAT RECEIVED  
17 FINAL TAX CERTIFICATES IN THE REPORTING YEAR;
  - 18 B. THE NUMBER OF JOBS CERTIFIED; AND
  - 19 C. THE AGGREGATE AND AVERAGE WAGES FOR THOSE  
20 JOBS;
- 21 2. FOR THE ONE MARYLAND TAX CREDIT, THE TOTAL  
22 START-UP AND PROJECT COSTS CERTIFIED FOR EACH APPLICANT IN THE  
23 REPORTING YEAR; AND
- 24 3. FOR THE MEDAAF AND EDOPF ASSISTANCE, THE  
25 NUMBER OF JOBS RETAINED AND NEW JOBS CREATED FOR EACH TRANSACTION  
26 SETTLED DURING THE REPORTING YEAR.

27 (III) A RECIPIENT CORPORATION THAT IS REQUIRED TO FILE AN  
28 ANNUAL PROXY STATEMENT WITH THE FEDERAL SECURITIES AND EXCHANGE  
29 COMMISSION ALSO SHALL PROVIDE INFORMATION ON THE TYPE AND AMOUNT OF  
30 COMPENSATION PAID TO ITS CHIEF EXECUTIVE OFFICER, ITS CHIEF FINANCIAL  
31 OFFICER, AND ITS THREE OTHER MOST HIGHLY COMPENSATED EXECUTIVE  
32 OFFICERS.

1           **(3) IF THE GRANTING BODY IS AN ENTITY OTHER THAN THE**  
2 **DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, THE ENTITY SHALL**  
3 **PROVIDE THE DISCLOSURE REPORT FORM THAT INCLUDES THE FOLLOWING**  
4 **INFORMATION:**

5           **(I) THE NAME, MAILING ADDRESSES, PHONE NUMBER, AND**  
6 **CHIEF OFFICER OF THE RECIPIENT CORPORATION;**

7           **(II) THE RECIPIENT CORPORATION'S NORTH AMERICAN**  
8 **INDUSTRY CLASSIFICATION SYSTEM INDUSTRY CODE;**

9           **(III) A SUMMARY OF THE ACTIVITY AND LOCATION WHERE THE**  
10 **ACTIVITY THAT GENERATES ELIGIBILITY FOR THE STATE SUBSIDY TAKES PLACE;**

11           **(IV) A SUMMARY OF THE NUMBER OF FULL-TIME,**  
12 **PART-TIME, AND TEMPORARY JOBS THAT ARE:**

13           **1. REQUIRED TO BE CREATED OR RETAINED BY THE**  
14 **TERMS OF THE STATE SUBSIDY, IF APPLICABLE; AND**

15           **2. CREATED OR LOST AS OF DECEMBER 31 OF THE**  
16 **PREVIOUS YEAR IF THE PURPOSE OF THE SUBSIDY IS RELATED TO JOB CREATION OR**  
17 **RETENTION;**

18           **(V) A SUMMARY OF THE COMPENSATION PLANS OF THE**  
19 **FOLLOWING INDIVIDUALS IF THE RECIPIENT CORPORATION IS REQUIRED TO FILE**  
20 **AN ANNUAL PROXY STATEMENT WITH THE FEDERAL SECURITIES AND EXCHANGE**  
21 **COMMISSION:**

22           **1. THE ENTITY'S CHIEF EXECUTIVE OFFICER AND CHIEF**  
23 **FINANCIAL OFFICER OR ANY INDIVIDUAL ACTING IN THAT CAPACITY DURING THE**  
24 **YEAR; AND**

25           **2. THE ENTITY'S OTHER THREE HIGHEST-PAID**  
26 **EXECUTIVE OFFICERS; AND**

27           **(VI) ANY OTHER INFORMATION THE GRANTING BODY**  
28 **DETERMINES IS NECESSARY TO EVALUATE THE PURPOSE OF THE STATE SUBSIDY.**

29           **(4) THE JOB SUMMARY REQUIRED UNDER PARAGRAPH (3)(IV) OF**  
30 **THIS SUBSECTION SHALL INCLUDE:**

1                   **(I) THE TOTAL EMPLOYMENT IN THE STATE OF THE**  
2 **RECIPIENT'S CORPORATE PARENT FOR THE 2 PREVIOUS YEARS; AND**

3                   **(II) THE SALARY AND INSURANCE COVERAGE DETAILS FOR ANY**  
4 **JOBS CREATED.**

5                   **(5) THE CHIEF OFFICER OF THE RECIPIENT CORPORATION SHALL**  
6 **SIGN A CERTIFICATION AS TO THE ACCURACY OF THE DISCLOSURE REPORT.**

7                   **(6) ON OR BEFORE DECEMBER 31 OF EACH YEAR, A RECIPIENT**  
8 **CORPORATION SHALL FILE A DISCLOSURE REPORT FOR THE YEAR IF THE RECIPIENT**  
9 **CORPORATION RECEIVES A STATE SUBSIDY DURING THE YEAR.**

10                  **(C) (1) ON OR BEFORE APRIL 1 OF EACH YEAR, THE GRANTING BODY**  
11 **SHALL PUBLISH ON THE GRANTING BODY'S WEB SITE A COMPILATION OF THE**  
12 **DISCLOSURE REPORTS.**

13                   **(2) THE DISCLOSURE REPORTS SHALL BE MAINTAINED IN A**  
14 **SEARCHABLE DATABASE AND IN A SPREADSHEET FORM THAT CAN BE DOWNLOADED.**

15                   **(3) (I) THE GRANTING BODY SHALL DETERMINE WHETHER THE**  
16 **RECIPIENT CORPORATION HAS MET THE REQUIREMENTS OF THE STATE SUBSIDY.**

17                   **(II) THE DISCLOSURE REPORT SHALL CONTAIN THE GRANTING**  
18 **BODY'S DETERMINATION.**

19                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2015.