

Expedited Bill No. 28-10
Concerning: Economic Development -
Business Development Corporation -
[[Establishment]] Designation
Revised: 7-8-10 Draft No. 11
Introduced: April 27, 2010
Enacted: July 20, 2010
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Floreen, Councilmember Trachtenberg, Council Vice President Ervin and
Councilmembers Navarro, Knapp, Leventhal and Berliner

AN EXPEDITED ACT to:

- (1) authorize ~~[[and encourage]]~~ County government to ~~[[support]]~~ designate a ~~[[Montgomery]]~~ Business Development Corporation to supplement the County's economic development programs and activities;
- (2) specify ~~[[the members of, and]]~~ the process to ~~[[appoint and confirm members of, the Corporation Board of Directors]]~~ designate a nonprofit corporation to function as the County's Business Development Corporation;
- (3) define the nature and powers of the Corporation; and
- (4) generally amend County laws relating to economic development.

By adding

Montgomery County Code
Chapter 30B, ~~[[Montgomery]]~~ Business Development Corporation

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Chapter 30B, [[Montgomery]] Business Development**
2 **Corporation, is added as follows:**

3 **Chapter 30B, [Reserved] [[Montgomery]] Business Development Corporation.**

4 **30B-1. Policy objectives[; Corporation activities].**

5 Recognizing that (1) the future success of Montgomery County related to
6 education, infrastructure, public safety, public welfare, and quality of life is built
7 on a vibrant and growing economy, (2) successful businesses are the key to
8 creating this economy, and (3) government must [[create]] foster a legislative and
9 regulatory environment which encourages business success, to achieve these goals
10 the County Government [[supports the formation of a Montgomery Business
11 Development Corporation]] must designate a nonprofit corporation as the County's
12 Business Development Corporation to enhance and supplement the County's
13 economic development programs and activities.

14 The mission of the [[Montgomery]] Business Development Corporation is to
15 develop the vision for the County's economic future and to recommend and
16 advocate for legislative and regulatory changes that move the culture and
17 regulatory environment so that business success can create that vibrant and
18 growing economy.

19 The Corporation must be able to:

20 (a) establish a vision of the economic future of the County founded on
21 sound financial and economic condition and policies;

22 (b) develop and articulate strategies designed to achieve that vision,
23 advocate for legislative and regulatory changes necessary to
24 accomplish that vision, set measurements, and regularly report on the
25 County's success in meeting its objectives and goals;

26 (c) provide leadership on economic issues at both the County and State
27 levels;

- (d) engage business leaders and other key stakeholders in developing and implementing economic development strategies;
- (e) maintain close liaison with government agencies and elected representatives at both the County and State levels to achieve the goals of the Corporation; and
- (f) undertake any other activities deemed by the Board of Directors to support the mission of the Corporation.

30B-2. [[Definition]] Designation.

- (a) In this Chapter "Corporation" means the [[Montgomery]] Business Development Corporation that the County has designated to study, evaluate, enhance, and supplement the County's economic development programs and activities.
- (b) The County Council must designate, by resolution approved by the County Executive, a single nonprofit corporation which complies with all requirements and criteria of this Chapter as the County's Business Development Corporation. If the Executive disapproves the resolution within 10 days after receiving it, the Council may readopt the resolution with at least 6 affirmative votes.
- (c) (1) Any designation under this Section expires at the end of the fifth full fiscal year after the resolution is adopted unless the Council extends the designation by adopting another resolution under this Section.
- (2) However, if the Council President does not notify the Chair of the designated Corporation's Board of Directors, not later than June 30 of the fourth full fiscal year of the designation term, that the Council may allow the current designation to expire,

the designation is automatically extended for another 5-year term.

(d) The Council at any time may suspend or revoke the designation of a corporation as the County's Business Development Corporation by resolution, adopted after at least 15 days public notice, that is approved by the Executive, or, if the Executive disapproves the resolution within 10 days after receiving it, is readopted by a vote of at least 6 Councilmembers.

(e) To continue to qualify as the County's Business Development Corporation, a corporation's articles of incorporation and bylaws must comply with all requirements of this Chapter.

30B-3. Board of Directors.

(a) ~~[[The]]~~ To qualify as the County's Business Development Corporation, a corporation's Board of Directors ~~[[of the Corporation]]~~ must have no more than 11 voting members. ~~[[In addition,]]~~ The corporation's bylaws should also allow the Director of the Department of Economic Development, the Superintendent of the County Public Schools ~~[[or a Deputy Superintendent assigned by the Superintendent]]~~, the President of Montgomery College, and the chair of the County Planning Board or the Planning Director ~~[[assigned by the chair]]~~, to serve as ex-officio non-voting members along with any other nonvoting members authorized under the bylaws.

(b) Each voting member must be either a resident of the County or employed in the senior management of a ~~[[major]]~~ company which has a significant presence in the County. The ~~[[County Executive must appoint the remaining members, subject to confirmation by the~~

County Council, as follows]] voting members of the Board of Directors should include:

- (1) one volunteer [[officer]] representative of a Chamber of Commerce in the County who is recommended by the Chambers of Commerce;
- (2) one owner of a small business in the County;
- (3) one owner or officer of the senior management of a medium-sized business located in the County; and
- (4) up to 8 officers from the senior management of major companies which have a significant presence in the County.

[[c) The Board must recommend one or more persons to the Executive to fill any vacancy on the Board. The Executive may reject any person recommended to serve on the Board and in that case must request additional recommendations from the Board.]]

[[d) Of the members initially appointed to the Board, 4 must be appointed to 1-year terms, 4 must be appointed to 2-year terms, and 3 must be appointed to 3-year terms. Thereafter each voting member serves a 3-year term. At the end of a term, a member continues to serve until a successor is confirmed. A member who is appointed to complete an unexpired term serves only for the rest of that term or until a successor is confirmed.]]

[[e) The Executive may reappoint a member for one additional term who is recommended by the Board to serve an additional term, but a member must not serve more than 2 consecutive full terms.]]

[[f) The Executive may remove a member for malfeasance, misfeasance, or nonfeasance, or another reason specified in the Corporation bylaws.]]

107 [(g)] The Board must periodically select a chair and vice-chair, and may
 108 select from among its members any other officer to perform duties it
 109 finds necessary.]]

110 [(h)](c) A member must not be paid for service on the Board but may be
 111 reimbursed for necessary travel expenses.

112 [(i)](d) A member is not subject to Chapter 19A because of serving on the
 113 Board. The Corporation's bylaws must include provisions defining
 114 and regulating conflicts of interest by Board members and
 115 Corporation staff.

116 (e) Notwithstanding any inconsistent provision of County Code Section
 117 19A-21, a member of the Board of Directors who engages in
 118 legislative or administrative advocacy as part of that member's duties
 119 on the Board is not required to register as a lobbyist under Article V
 120 of Chapter 19A because of that advocacy.

121 [(j)] (f) The Board must direct the program, management, and finances of
 122 the [[Corporation]] corporation.

123 **30B-4. Status; incorporation; bylaws.**

124 (a) [[The Corporation is a quasi-public corporation organized under the
 125 laws of Maryland. It is not an instrumentality of County
 126 government.]] To qualify as the County's Business Development
 127 Corporation, a corporation's articles of incorporation must provide
 128 that the corporation is:

129 (1) a tax-exempt nonprofit corporation;

130 (2) not an instrumentality of the County; and

131 (3) incorporated for the sole purpose of serving as the County's
 132 Business Development Corporation.

(b) The Corporation's bylaws may contain any provision, not inconsistent with law or the articles of incorporation, necessary to govern and manage the Corporation. [[It]] The Corporation may exercise all powers and is subject to all requirements which apply to non-stock corporations under the Corporations and Associations Article of the Maryland Code.

[[b)] The Executive, or any person designated by the Executive, must execute and file Corporation articles of incorporation, approved by resolution by the Council, for recording with the State Department of Assessments and Taxation. When the articles of incorporation are accepted for recording by the Department of Assessments and Taxation, the Corporation becomes a body corporate, lawfully and properly created.]]

[[c)] The Council may amend the articles of incorporation by adopting a resolution submitted by the Board of Directors and approved by the Executive or, if the resolution is disapproved by the Executive, readopting it by a vote of 6 Councilmembers. Any amendment must be filed and recorded with the State Department of Assessments and Taxation.]]

[[d)](c) The Board must adopt and may amend the Corporation's bylaws [[for the Corporation]], subject to approval by the Council. [[Those bylaws must include provisions regulating conflicts of interest by Board members and by Corporation staff, if any.]] The public must be given at least 15 days to comment on the proposed by-laws, or any amendment to the bylaws, before the Council approves them.

(d) The bylaws must require the Corporation to comply with the state open meetings law and provide that all meetings of the Board of

Directors must be open to the public except when closed on a recorded vote of the Board for a reason expressly listed in the state law or the bylaws.

30B-5. Work program.

(a) The [[Corporation]] Board of Directors must adopt a work program each year to advance the policy objectives and perform the activities listed in Section 30B-1.

(b) In its work program, the Corporation should complement the strategic economic development activities of the Department of Economic Development.

(c) The Corporation's work program may include a plan for sponsorship of private investment, marketing, and advocacy initiatives.

(d) The Board must meet with the Executive and the Council at least semi-annually. [[, and]] The Board must advise the Executive and Council on economic development and related matters.

30B-6. Staff; support from County Government.

(a) The [[County Government must]] Department of Economic Development should, if the Board of Directors requests, provide administrative [[and financial]] support for the Corporation, including contracts, grants, or services in kind, subject to appropriation.

(b) The Office of Management and Budget, the Department of Finance, and other departments of County government and County-funded agencies, if [[requested]] the Board of Directors requests, [[must]] should provide relevant economic data to the Corporation. The research division of the Planning Board must provide research support to the Corporation to the extent assigned by the Planning Board's work program, as approved by the Council.

(c) [[The Corporation should review and comment on data furnished under subsection (b).]]

[[d)] The Corporation may also raise private funds and may accept services from any source consistent with its purposes.

30B-7. Report.

The Board of Directors must report annually on the activities and finances of the Corporation to the Executive and Council.

Sec. 2. Expedited Effective Date.

The Council declares that this Act is necessary for the immediate protection of the public interest. This Act takes effect on the date when it becomes law.

Sec. 3. Timetable. The first resolution adopted under Section 30B-2, inserted by Section 1 of this Act, must take effect on October 1, 2010. Any corporation that seeks to be designated as the County's Business Development Corporation must submit proposed articles of incorporation and bylaws to the County Executive and County Council by September 1, 2010.

Approved:


Nancy Floreen, President, County Council

7/22/10
Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date