

Expedited Bill No. 5-10
Concerning: Economic Development -
Biotechnology Credit - County
Supplement
Revised: 3-10-10 Draft No. 2
Introduced: February 2, 2010
Enacted: March 16, 2010
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

AN EXPEDITED ACT to:

- (1) authorize the County to supplement the state biotechnology investment incentive tax credit; and
- (2) generally amend the law governing County financial incentives for investment in certain businesses.

By adding

Montgomery County Code
Chapter 20, Finance
Section 20-76A

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. Section 20-76A is inserted as follows:**

2 **20-76A. Biotechnology investment incentive tax credit supplement.**

- 3 (a) The Director of Finance must pay, subject to appropriation, a
4 Biotechnology Investment Incentive Tax Credit Supplement to each
5 applicant who meets certain eligibility standards.
- 6 (b) An applicant, who need not be a County resident, is eligible to receive
7 the Supplement if:
- 8 (1) the applicant has been designated as a qualified investor under
9 state law and has received a final tax credit certificate for the
10 Maryland biotechnology investment incentive tax credit for the
11 year in which the Supplement is claimed; and
- 12 (2) the tax credit received by the applicant was generated by an
13 investment in a qualified Maryland biotechnology company, as
14 defined in state law, that has its headquarters and base of
15 operations in the County.
- 16 (c) The County Executive, by regulations issued under Method (1), may
17 impose other eligibility standards. However, those standards must not
18 make any person ineligible to receive the Supplement who would be
19 eligible under subsection (b).
- 20 (d) The Supplement paid to each recipient must equal 50% of any tax credit
21 the recipient receives from the State biotechnology investment incentive
22 tax credit program, or a lower percentage, set in the annual operating
23 budget resolution, which reflects the relative proportions of the
24 respective annual appropriations for the state tax credit and the County
25 supplement.
- 26 (e) The Director must require each eligible person to submit an application
27 for the Supplement and may take any other action necessary to

28 administer the Supplement. The Executive may issue regulations under
29 Method (1) to specify an application process and otherwise implement
30 this Section.

31 (f) If the Comptroller of the Treasury agrees, the Director may arrange for
32 the Comptroller to pay the Supplement on behalf of the County. To the
33 extent that the Comptroller does not pay the supplement, the Director
34 must pay it directly to each eligible applicant.

35 (g) A person who submits a false or fraudulent application, or withholds
36 material information, to obtain a payment under this Section has
37 committed a Class A violation. In addition, the person must repay the
38 County for all amounts improperly paid and all accrued interest and
39 penalties that would apply to those amounts as if they were overdue
40 taxes. A person who violates this Section is liable for all court costs and
41 expenses of the County in any civil action brought by the County to
42 recover any payment, interest, or penalty. The County may collect any
43 amount due, and otherwise enforce this Section, by any appropriate
44 legal action.

45 (h) If all or part of the allowed state tax credit is recaptured under the
46 applicable state law, the recipient must repay the County within 60 days
47 the portion of any Supplement paid by the County that was based on the
48 recaptured credit.

49 **Sec. 2. Expedited Effective Date.**

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

52 *Approved:*

53

54 *Nancy Floreen*

3/17/10

Nancy Floreen, President, County Council

Date

55 *Approved:*

56

57

Isiah Leggett, County Executive

Date

58 *This is a correct copy of Council action.*

59

60

Linda M. Lauer, Clerk of the Council

Date