

**SB0388/783029/1**

BY: Ways and Means Committee

AMENDMENTS TO SENATE BILL 388  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, after “utilized;” insert “altering the distribution of certain video lottery terminal proceeds;”; in line 16, after “credits;” insert “establishing the purpose of the film production activity tax credit;”; and strike beginning with “repealing” in line 21 down through “activity;” in line 22 and substitute “altering certain reporting requirements concerning certain economic development programs and tax credits; requiring the Office of the Comptroller and the Department of Commerce to evaluate the film production activity tax credit and submit a certain report on or before a certain date;”.

On page 2, in line 30, after “2.5–109(a)(1),” insert “(d)(1), and (e).”; and after line 41, insert:

“BY adding to

Article – Economic Development

Section 2.5–109(g), 5–515, and 5–1501(m); the new part designation “Part I. Maryland Economic Development Corporation” to immediately precede Section 10–101; and 10–156

Annotated Code of Maryland

(2024 Replacement Volume and 2025 Supplement)”.

On page 3, strike in their entirety lines 5 through 11, inclusive.

On page 4, in line 24, strike “and (f)”; in line 30, after “10–721(i)” insert “, 10–730(a–1).”; and in line 35, strike “9–103(a)(1) and (6) and (b)(1) and”.

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On page 5, in line 1, strike “9–103(d)(2) and (5) and (e)(1) and”; and in line 2, after “(f)” insert “and 9–230(m)”.

**AMENDMENT NO. 2**

On page 6, after line 10, insert:

**“(d) (1) The report required under SUBSECTION (C) OF this section shall include the following data, if applicable, on the economic development programs administered by the Department:**

**(i) the number of jobs created;**

**(ii) the number of jobs retained;**

**(III) THE MINIMUM, MAXIMUM, AND AVERAGE SALARY OF THE JOBS CREATED OR RETAINED;**

**(IV) FOR EACH OF THE FOLLOWING CATEGORIES, THE NUMBER OF JOBS CREATED OR RETAINED THAT:**

**1. PROVIDE CAREER ADVANCEMENT TRAINING;**

**2. PROVIDE PAID LEAVE;**

**3. OFFER EMPLOYER–PROVIDED HEALTH INSURANCE BENEFITS THAT DO NOT EXCEED 8.5% OF THE EMPLOYEE’S NET MONTHLY EARNINGS; AND**

**4. OFFER RETIREMENT BENEFITS;**

[(iii)] (V) the estimated amount of State revenue generated;

[(iv)] (VI) the status of any special fund;

[(v)] (VII) for minority business enterprises, as defined in § 14–301 of the State Finance and Procurement Article:

1. the number of enterprises that received assistance from each economic development program; and

2. the percentage of assistance distributed to each minority business enterprise from each economic development program compared to the total assistance distributed from each economic development program;

[(vi)] (VIII) a statement indicating whether, during the current reporting year, the Department reduced, revoked, or recaptured a tax credit or any amount of financial assistance from a recipient and, if applicable:

1. the total amount recovered as a result of the reduction, revocation, or recapture, and any penalty assessed; and

2. a justification for the reduction, revocation, or recapture; and

[(vii)] (IX) any additional information required by the Department through regulations.

(e) The Department shall establish, maintain, and update annually a publicly available database on the Department’s website that:

(1) provides information that is downloadable by the public in a common machine-readable format; and

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(2) includes, as applicable:

(i) the name of each business entity that is a recipient of an economic development program;

(ii) the total amount of tax credits certified, financial assistance paid, and loans forgiven or uncollectible by the Department for each recipient of the tax credit or financial assistance;

(iii) the number of jobs actually created or retained by each recipient;

(iv) the MINIMUM, MAXIMUM, AND average salary of the jobs created or retained by each recipient;

(v) the amount of capital investment made or project costs incurred by each recipient; and

(vi) a statement indicating whether, during the current reporting year, the Department reduced, revoked, or recaptured a tax credit or any amount of financial assistance from a recipient and, if applicable:

1. the total amount recovered as a result of the reduction, revocation, or recapture, and any penalty assessed; and

2. a justification for the reduction, revocation, or recapture.

**(G) (1) ON OR BEFORE DECEMBER 1, 2029, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE ECONOMIC DEVELOPMENT PROGRAMS ADMINISTERED BY THE DEPARTMENT THAT WERE ALTERED BY CHAPTER (S.B. 388) (H.B.**

**898) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2026 TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

**(2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE ANALYSIS OF:**

**(I) WHETHER THE ALTERATIONS INCREASED OR DECREASED UTILIZATION OF EACH PROGRAM;**

**(II) WHETHER THE ALTERATIONS INCREASED OR DECREASED THE EFFECTIVENESS OF EACH PROGRAM; AND**

**(III) WHETHER THE ALTERATIONS ACCOMPLISHED THE DEPARTMENT'S GOALS FOR EACH PROGRAM."**

On page 16, in lines 29, 30, and 32, in each instance, strike the bracket.

On page 17, strike beginning with "equal" in line 6 down through "Fund" in line 7; in line 8, strike the bracket; and after line 8, insert:

**"(E) A LETTER SUBMITTED UNDER THIS SECTION SHALL INCLUDE THE SIGNATURES OF A MAJORITY OF THE MEMBERS OF THE GOVERNING BODY."**

On page 57, in line 11, strike the brackets; and in the same line, strike "10".

On page 59, in lines 19, 20, 21, and 24, in each instance, strike the bracket; in line 21, strike "subtitle;" and substitute "PART; AND"; strike in their entirety lines 22 and 23; in line 24, strike "3." and substitute "2."; and in the same line, strike "PART"

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and substitute “AT THE TIME THAT THE BUSINESS ENTITY APPLIES TO RECEIVE RENTAL ASSISTANCE FROM THE PROGRAM”.

On page 62, in line 12, before the first bracket insert “(A)”; in line 13, strike “tax”; after line 15, insert:

“(B) THE REPORT REQUIRED UNDER THIS SECTION SHALL INCLUDE THE FOLLOWING INFORMATION FOR THE PRECEDING FISCAL YEAR:

(1) THE NUMBER OF BUSINESS ENTITIES THAT RECEIVED ASSISTANCE FROM THE CORPORATION UNDER § 10–141 OF THIS SUBTITLE AND THE TYPE OF ASSISTANCE PROVIDED;

(2) THE NUMBER OF BUSINESS ENTITIES CERTIFIED BY THE CORPORATION UNDER § 10–142 OF THIS SUBTITLE;

(3) THE NUMBER OF BUSINESS ENTITIES THAT RECEIVED RENTAL ASSISTANCE FROM A PROGRAM ESTABLISHED IN ACCORDANCE WITH § 10–143 OF THIS SUBTITLE THAT RECEIVED A DISTRIBUTION FROM THE FUND; AND

(4) THE NUMBER OF SMALL, MINORITY–OWNED, OR WOMEN–OWNED BUSINESSES DESCRIBED UNDER EACH OF ITEMS (1) THROUGH (3) OF THIS SUBSECTION.”;

in line 17, strike “This” and substitute “(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THIS”; and after line 18, insert:

“(B) AFTER THE TERMINATION OF THIS PART, A BUSINESS ENTITY MAY CONTINUE TO RECEIVE A BENEFIT AUTHORIZED UNDER THIS PART UNTIL THE

DATE THAT THE RISE ZONE IN WHICH THE BUSINESS ENTITY IS LOCATED WOULD OTHERWISE HAVE EXPIRED BUT FOR SUBSECTION (A) OF THIS SECTION.”.

On page 67, in line 20, after “to” insert “BE DISTRIBUTED:”

(I) \$5,000,000 TO THE MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING FUND ESTABLISHED UNDER § 5-515 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

(II) THE REMAINDER TO”.

On page 75, after line 10, insert:

“(A-1) THE PURPOSE OF THE TAX CREDIT ALLOWED UNDER THIS SECTION IS TO INCENTIVIZE AND PROMOTE FILM PRODUCTION ACTIVITY IN THE STATE TO STIMULATE THE LOCAL ECONOMY BY CREATING JOBS, FOSTERING INVESTMENT IN INDUSTRY INFRASTRUCTURE, AND BOOSTING TOURISM.”.

On pages 76 and 77, strike in their entirety the lines beginning with line 24 on page 76 through line 17 on page 77, inclusive.

On pages 78 through 80, strike in their entirety the lines beginning with line 22 on page 78 through line 3 on page 80, inclusive.

On page 82, after line 17, insert:

“9-230.

(m) (1) On October 1 [of each year], 2026, AND EACH OCTOBER 1 THEREAFTER, each county and municipal corporation that has granted tax credits

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under this section shall report to the Department[, the Department of Commerce, and the Comptroller]:

[(1)] (I) [the amount of] FOR each credit granted for that year, THE FOLLOWING INFORMATION:

1. THE AMOUNT OF THE CREDIT;
2. THE NAME AND ADDRESS OF THE BUSINESS ENTITY;
3. THE INVESTMENT ASSOCIATED WITH THE CREDIT;
4. WHETHER THE CREDIT RESULTED FROM AN EXPANSION, A RELOCATION, OR A NEW BUSINESS;
5. THE NUMBER OF JOBS ASSOCIATED WITH THE CREDIT;
6. WHETHER THE BUSINESS ENTITY HAD A PRESENCE IN THE STATE PRIOR TO RECEIVING THE CREDIT AND THE BUSINESS ENTITY'S YEARS OF OPERATION; AND
7. THE TOTAL NUMBER OF INDIVIDUALS EMPLOYED BY THE BUSINESS ENTITY; and

[(2)] (II) whether the business entity is in compliance with the requirements for the tax credit.

**(2) ON OR BEFORE DECEMBER 31, 2026, AND EACH DECEMBER 31 THEREAFTER, THE DEPARTMENT SHALL AGGREGATE THE REPORTS RECEIVED UNDER PARAGRAPH (1) OF THIS SUBSECTION AND SUBMIT A COMBINED REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, INCLUDING ANY FINDINGS OR RECOMMENDATIONS.**

On page 84, after line 6, insert:

“SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) On or before December 1, 2026, the Office of the Comptroller shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on its current ability to track credits carried forward under § 10-721 of the Tax – General Article and potential methods to improve that tracking.

(b) On or before December 1, 2026, the Department of Commerce shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on whether the refundable credit allowed under § 10-721(d)(2) of the Tax – General Article for small businesses is underutilized and, if so, potential reasons for and methods to address that underutilization.

SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) On or before December 1, 2026, the Department of Commerce shall evaluate the tax credit allowed under § 10-730 of the Tax – General Article, as enacted under Section 5 of this Act, and report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on the tax credit.

(b) The report under subsection (a) of this section shall include recommendations on how the tax credit could be improved or streamlined, including potential reforms to:

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- (1) the list of eligible production activities;
- (2) the small or independent film entity eligibility requirements, including hiring requirements, and designated funding levels;
- (3) the minimum in-State spending requirements for larger film production entities; and
- (4) the qualifying costs, including whether qualifying costs would be better defined by administrative regulation.”;

and in lines 7, 9, 11, 13, and 14, strike “8.”, “9.”, “10.”, “11.”, and “10”, respectively, and substitute “10.”, “11.”, “12.”, “13.”, and “12”, respectively.