

MEMORANDUM

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Bill 34-11, Biotechnology Investment Incentive Tax Credit Supplement - Amendment

Bill 34-11, Biotechnology Investment Incentive Tax Credit Supplement - Amendment, sponsored by the Council President at the request of the County Executive, is scheduled to be introduced on October 25, 2011. A public hearing is tentatively scheduled for November 15 at 1:30 p.m.

Bill 34-11 would clarify the proportion of the annual Biotechnology Investment Incentive Tax Credit Supplement an applicant may receive.

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Expedited Bill No. 34-11
Concerning: Biotechnology Investment
Incentive Tax Credit Supplement -
Amendment
Revised: 10-20-11 Draft No. 4
Introduced: October 25, 2011
Expires: April 25, 2013
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) clarify the proportion of the annual Biotechnology Investment Incentive Tax Credit Supplement an applicant may receive; and
- (2) generally amend the law relating to the Biotechnology Investment Incentive Tax Credit Supplement.

By amending

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:

LEGISLATIVE REQUEST REPORT

Bill 34-11

Biotechnology Investment Incentive Tax Credit Supplement - Amendment

DESCRIPTION:	Clarify the proportion of the annual Biotechnology Investment Incentive Tax Credit Supplement (Supplement) an applicant may receive and generally amend the law relating to the Biotechnology Investment Incentive Tax Credit Supplement.
PROBLEM:	Current law contains language mandating that the County provide an eligible applicant with 50% of the amount the State Biotech Tax Credit issued to eligible investors (applicants), unless a lower percentage is set in the annual operating budget resolution.
GOALS AND OBJECTIVES:	The attached bill deletes language that requires the amount of the supplement to equal 50% of the SBITCP and substitutes language that provides that an eligible company will receive a supplement amount that is proportionate to the amount of the credit received by that company under the SBITCP as a percentage of the total amount of credits allocated under the SBITCP to Montgomery County biotechnology companies.
COORDINATION:	County Attorney, Department of Economic Development
FISCAL IMPACT:	Same as the original bill as this amendment will provide the County with flexibility of providing matches.
ECONOMIC IMPACT:	The amendment will continue to support the same mission as the original bill, i.e., stimulate investment activities in the biotechnology industry in the County and provide the incentives to support the growth of biotech companies in the County.
EVALUATION:	Department of Economic Development will monitor the business growth of the tax credit supplement recipients and report annually.
EXPERIENCE ELSEWHERE:	State of Maryland is operating the program very successfully since 2008.
SOURCE OF INFORMATION:	Department of Economic Development.
APPLICATION WITHIN MUNICIPALITIES:	None. All applicants in the County will be eligible.
PENALTIES:	None.




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

October 17, 2011

TO: Valerie Ervin, County Council President

FROM: Ike Leggett, County Executive 

SUBJECT: Proposed Legislation re: Montgomery County Biotechnology Investment Incentive Tax Credit Supplement

I am submitting for Council introduction a bill that would modify the Biotechnology Investment Incentive Tax Credit Supplement (Biotech Credit Supplement Program) that was established when Bill 5-10, Biotechnology Credit – Local Supplement was enacted on March 16, 2010. I am also enclosing a Legislative Request Report for this bill.

Under current law, the County is required to pay each eligible biotechnology company an amount that is equal to 50% of the tax credit that the recipient receives from the State Biotechnology Investment Tax Credit Program (SBITCP). However, due to County's limited initial budget of \$500,000 in FY12 and the uncertainty of future appropriations to the program, the current mandatory supplement amount will make it impossible to implement the Biotech Credit Supplement Program. The attached bill deletes language that requires the amount of the supplement to equal 50% of the SBITCP and substitutes language that provides that an eligible company will receive a supplement amount that is proportionate to the amount of the credit received by that company under the SBITCP as a percentage of the total amount of credits allocated under the SBITCP to Montgomery County biotechnology companies.

Please contact Steve Silverman, Director, Department of Economic Development, at 240-777-2005 if you have questions about the Biotech Credit Supplement Program or any aspect of this bill. Thank you for your consideration of this item.

Attachments (2)

cc: Steve Silverman, DED Director