

SENATE BILL 393

C8

2lr0141
CF HB 414

By: **The President (By Request – Administration) and Senators Bailey, Carozza, Cassilly, Corderman, Eckardt, Edwards, Elfreth, Gallion, Hershey, Hester, Hough, Jennings, Ready, Salling, Simonaire, and West**

Introduced and read first time: January 24, 2022

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Project Restore Program and Fund**

3 FOR the purpose of establishing the Project Restore Program within the Department of
4 Housing and Community Development to provide financial incentives for small
5 businesses and commercial developers to revitalize certain vacant retail and
6 commercial space; authorizing the award of certain grants to certain businesses and
7 developers under certain circumstances; establishing the Project Restore Fund as a
8 special, nonlapsing fund in the Department; requiring interest earnings of the Fund
9 to be credited to the Fund; and generally relating to the Project Restore Program and
10 Fund.

11 BY repealing and reenacting, without amendments,
12 Article – Economic Development
13 Section 6–801(a) and (l)
14 Annotated Code of Maryland
15 (2018 Replacement Volume and 2021 Supplement)

16 BY adding to
17 Article – Housing and Community Development
18 Section 6–1101 and 6–1102 to be under the new subtitle “Subtitle 11. Project Restore
19 Program and Fund”
20 Annotated Code of Maryland
21 (2019 Replacement Volume and 2021 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – State Finance and Procurement
24 Section 6–226(a)(2)(i)
25 Annotated Code of Maryland
26 (2021 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)144. and 145.
Annotated Code of Maryland
(2021 Replacement Volume)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)146.
Annotated Code of Maryland
(2021 Replacement Volume)

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

Article – Economic Development

6–801.

(a) In this subtitle the following words have the meanings indicated.

(l) “Tier I area” means:

(1) a Tier I county, as defined in § 1–101 of this article;

(2) a county designated by the Department that is not a county described
in item (1) of this subsection, not to exceed three counties; or

(3) an opportunity zone.

Article – Housing and Community Development

SUBTITLE 11. PROJECT RESTORE PROGRAM AND FUND.

6–1101.

**(A) IN THIS SECTION, “PROGRAM” MEANS THE PROJECT RESTORE
PROGRAM.**

(B) THERE IS A PROJECT RESTORE PROGRAM IN THE DEPARTMENT.

**(C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL
INCENTIVES FOR SMALL BUSINESSES AND COMMERCIAL DEVELOPERS TO
REVITALIZE VACANT RETAIL AND COMMERCIAL SPACE.**

1 (D) EXPENDITURES FOR THE PROGRAM MAY BE MADE ONLY IN
2 ACCORDANCE WITH THE STATE BUDGET.

3 (E) SUBJECT TO THE AVAILABILITY OF FUNDING AND IN ACCORDANCE WITH
4 CRITERIA ESTABLISHED BY THE DEPARTMENT, THE PROGRAM SHALL PROVIDE
5 RENTAL GRANTS AND BUSINESS OPERATION GRANTS TO ELIGIBLE BUSINESSES.

6 (F) (1) IN ORDER TO BE ELIGIBLE FOR THE PROGRAM, A BUSINESS SHALL
7 OPEN OR EXPAND IN A RETAIL OR COMMERCIAL PROPERTY THAT HAS BEEN VACANT
8 FOR AT LEAST 6 CONTINUOUS MONTHS BEFORE THE LATER OF THE DATE THAT THE
9 BUSINESS:

10 (I) OBTAINED AN OWNERSHIP INTEREST IN THE PROPERTY; OR

11 (II) BEGAN CONSTRUCTION OR RENOVATION OF THE
12 PROPERTY.

13 (2) A BUSINESS THAT TOOK AN OWNERSHIP INTEREST IN A PROPERTY
14 OR BEGAN CONSTRUCTION OR RENOVATION OF A PROPERTY BEFORE JULY 1, 2021,
15 IS NOT ELIGIBLE FOR THE PROGRAM WITH RESPECT TO THAT PROPERTY.

16 (3) THE DEPARTMENT MAY EXCLUDE CERTAIN TYPES OF
17 BUSINESSES FROM ELIGIBILITY FOR THE PROGRAM.

18 (G) (1) THE PROGRAM MAY AWARD RENTAL GRANTS ONLY TO AN
19 ELIGIBLE BUSINESS WITH 50 OR FEWER FULL-TIME EQUIVALENT EMPLOYEES.

20 (2) AN ELIGIBLE BUSINESS MAY USE RENTAL GRANT FUNDS
21 AWARDED UNDER THIS SUBSECTION TO SUPPORT THE PAYMENT OF RENT,
22 MORTGAGE, OR PROPERTY TAXES BASED ON WHETHER THE BUSINESS WILL LEASE,
23 WILL PURCHASE, OR ALREADY OWNS THE VACANT PROPERTY THAT THE BUSINESS
24 WILL OCCUPY.

25 (3) THE PROGRAM MAY AWARD AN ELIGIBLE BUSINESS A RENTAL
26 GRANT NOT EXCEEDING \$2,500 FOR EACH MONTH FOR A PERIOD NOT EXCEEDING
27 12 MONTHS.

28 (H) (1) SUBJECT TO THE LIMITATIONS OF THIS SUBSECTION, THE
29 PROGRAM MAY AWARD A BUSINESS OPERATIONS GRANT TO PROVIDE SALES AND
30 USE TAX REBATES TO AN ELIGIBLE BUSINESS FOR THE AMOUNT OF SALES AND USE
31 TAX COLLECTED BY THE BUSINESS AND PAID TO THE STATE.

(2) (I) AN ELIGIBLE BUSINESS MAY USE A BUSINESS OPERATIONS GRANT FOR ACTIVITIES AND COSTS RELATED TO SUSTAINING AND GROWING THE BUSINESS, INCLUDING STAFF COSTS, CAPITAL IMPROVEMENTS, MARKETING, INVENTORY, SUPPLIES, UTILITIES, AND TRAINING.

(II) AN ELIGIBLE BUSINESS MAY NOT USE A BUSINESS OPERATIONS GRANT FOR THE PAYMENT OF EXECUTIVE SALARIES OR EXECUTIVE BONUSES.

(3) A BUSINESS OPERATIONS GRANT MAY NOT EXCEED \$250,000 DURING A 12-MONTH PERIOD.

(4) THE PROGRAM MAY AWARD A BUSINESS OPERATIONS GRANT FOR:

(I) A PERIOD NOT EXCEEDING 2 YEARS FOR A BUSINESS THAT IS LOCATED IN:

1. A TIER I AREA, AS DEFINED IN § 6-801 OF THE ECONOMIC DEVELOPMENT ARTICLE; OR

2. A LOCATION DESIGNATED BY THE DEPARTMENT AS A MAIN STREET MARYLAND COMMUNITY; OR

(II) A PERIOD NOT EXCEEDING 1 YEAR FOR A BUSINESS THAT IS NOT LOCATED IN AN AREA DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH.

(I) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

6-1102.

(A) IN THIS SECTION, "FUND" MEANS THE PROJECT RESTORE FUND.

(B) THERE IS A PROJECT RESTORE FUND.

(C) THE PURPOSE OF THE FUND IS TO FUND RENTAL GRANTS AND BUSINESS OPERATIONS GRANTS AWARDED UNDER THE PROJECT RESTORE PROGRAM IN ACCORDANCE WITH § 6-1101 OF THIS SUBTITLE.

(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
2 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

3 **(F) THE FUND CONSISTS OF:**

4 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

5 **(2) INTEREST EARNINGS; AND**

6 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
7 **THE BENEFIT OF THE FUND.**

8 **(G) THE FUND MAY BE USED ONLY:**

9 **(1) FOR THE PURPOSES DESCRIBED UNDER SUBSECTION (C) OF THIS**
10 **SECTION; AND**

11 **(2) TO PAY THE COSTS NECESSARY TO ADMINISTER THE FUND.**

12 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
13 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

14 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
15 **THE FUND.**

16 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
17 **WITH THE STATE BUDGET.**

18 **(J) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT**
19 **INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE**
20 **APPROPRIATED FOR BUSINESS-RELATED GRANTS.**

21 **Article – State Finance and Procurement**

22 6–226.

23 (a) (2) (i) Notwithstanding any other provision of law, and unless
24 inconsistent with a federal law, grant agreement, or other federal requirement or with the
25 terms of a gift or settlement agreement, net interest on all State money allocated by the
26 State Treasurer under this section to special funds or accounts, and otherwise entitled to
27 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
28 Fund of the State.

1 (ii) The provisions of subparagraph (i) of this paragraph do not apply
2 to the following funds:

3 144. the Health Equity Resource Community Reserve Fund;
4 [and]

5 145. the Access to Counsel in Evictions Special Fund; AND

6 **146. THE PROJECT RESTORE FUND.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2022.