

SENATE BILL 640

01, B1

11r2089
CF 11r1398

By: **Senator Elfreth**

Introduced and read first time: January 29, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Emergency Community Services Fund**

3 FOR the purpose of establishing the Emergency Community Services Fund as a special,
4 nonlapsing fund; specifying the purpose of the Fund; requiring the Governor to
5 include a certain appropriation to the Fund in the annual budget bill; requiring the
6 Department of Budget and Management to administer the Fund; requiring the State
7 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying
8 the contents of the Fund; specifying when the Fund may be used; specifying the
9 purpose for which the Fund may be used; authorizing the Governor, after notice and
10 approval by the Legislative Policy Committee, to transfer certain funds by budget
11 amendment; stating that the Fund may be used only to provide supplemental
12 funding for certain programs and services and may not be used to offset operating
13 deficiencies; requiring the Governor, on notice of a proposed budget amendment, to
14 report certain information to certain committees of the General Assembly; providing
15 for the investment of money in and expenditures from the Fund; requiring interest
16 earnings of the Fund to be credited to the Fund; exempting the Fund from a certain
17 provision of law requiring interest earnings on State money to accrue to the General
18 Fund of the State; requiring the Department of Budget and Management to submit
19 a certain annual report providing certain information about the Fund; providing that
20 money appropriated from the Fund is supplemental to and is not intended to take
21 the place of other funding; defining a certain term; and generally relating to the
22 Emergency Community Services Fund.

23 BY repealing and reenacting, without amendments,
24 Article – State Finance and Procurement
25 Section 6–226(a)(2)(i)
26 Annotated Code of Maryland
27 (2015 Replacement Volume and 2020 Supplement)

28 BY repealing and reenacting, with amendments,
29 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 6–226(a)(2)(ii)122. and 123.
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)124. and 7–332
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

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

Article – State Finance and Procurement

6–226.

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

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

122. the Racing and Community Development Financing Fund;

[and]

123. the Racing and Community Development Facilities Fund;

AND

124. THE EMERGENCY COMMUNITY SERVICES FUND.

7–332.

(A) IN THIS SECTION, “FUND” MEANS THE EMERGENCY COMMUNITY SERVICES FUND.

(B) (1) THERE IS AN EMERGENCY COMMUNITY SERVICES FUND.

(2) THE FUND IS ESTABLISHED TO ENABLE THE STATE TO RESPOND WITHOUT UNDUE DELAY TO INCREASED DEMAND FOR COMMUNITY SERVICES DURING A STATE OF EMERGENCY OR DURING PERIODS OF INCREASED UNEMPLOYMENT.

1 (C) FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER, THE
2 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF
3 \$10,000,000.

4 (D) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL ADMINISTER
5 THE FUND.

6 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
7 SUBJECT TO § 7-302 OF THIS SUBTITLE.

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

10 (F) THE FUND CONSISTS OF:

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

12 (2) INTEREST EARNINGS; AND

13 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
14 THE BENEFIT OF THE FUND.

15 (G) (1) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE FUND
16 MAY BE USED TO FUND SERVICES IN ACCORDANCE WITH PARAGRAPH (2) OF THIS
17 SUBSECTION IF:

18 (I) THE SEASONALLY ADJUSTED TOTAL EMPLOYMENT FROM
19 THE CURRENT EMPLOYMENT STATISTICS SERIES AS REPORTED BY THE U.S.
20 BUREAU OF LABOR STATISTICS FOR THE MOST RECENT 6-MONTH PERIOD IS
21 NEGATIVE AS COMPARED WITH THE IMMEDIATELY PRECEDING 6-MONTH PERIOD;
22 OR

23 (II) A STATE OF EMERGENCY IS DECLARED BY THE GOVERNOR.

24 (2) AFTER NOTICE TO AND APPROVAL BY THE LEGISLATIVE POLICY
25 COMMITTEE, THE GOVERNOR MAY TRANSFER FUNDS BY BUDGET AMENDMENT
26 FROM THE FUND TO THE EXPENDITURE ACCOUNT OF THE APPROPRIATE EXECUTIVE
27 AGENCY TO PROVIDE SUPPLEMENTAL FUNDING FOR:

28 (I) FOOD AND NUTRITION ASSISTANCE PROGRAMS;

29 (II) RENTAL ASSISTANCE AND SERVICES FOR RESIDENTIAL

TENANTS; AND

(III) ENERGY ASSISTANCE PROGRAMS.

(3) (I) FUNDING PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY BE USED ONLY TO PROVIDE SUPPLEMENTAL FUNDING TO PROGRAMS AND SERVICES RECEIVING FUNDING IN ACCORDANCE WITH THE STATE BUDGET IN THE FISCAL YEAR IN WHICH FUNDS ARE PROVIDED.

(II) THE FUND MAY NOT BE USED TO OFFSET OPERATING DEFICIENCIES IN REGULAR PROGRAMS OF STATE GOVERNMENT.

(4) ON SUBMISSION OF NOTICE TO THE LEGISLATIVE POLICY COMMITTEE OF A PROPOSED BUDGET AMENDMENT UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE GOVERNOR SHALL PROVIDE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE LEGISLATIVE POLICY COMMITTEE, THE SENATE BUDGET AND TAXATION COMMITTEE, AND THE HOUSE APPROPRIATIONS COMMITTEE A DETAILED DESCRIPTION OF:

(I) THE AGENCY TO WHICH THE FUNDS WILL BE DISTRIBUTED;

(II) THE PROPOSED USE OF THE FUNDS;

(III) THE MANNER IN WHICH THE PROPOSED USE MEETS THE NEEDS FOR THE USES AUTHORIZED UNDER PARAGRAPH (2) OF THIS SUBSECTION;

(IV) THE DEGREE TO WHICH THE PROPOSED USE OF FUNDS WILL ADDRESS ECONOMIC HARDSHIPS RESULTING FROM INCREASED UNEMPLOYMENT OR THE STATE OF EMERGENCY; AND

(V) THE DEGREE TO WHICH AVAILABLE SOURCES OF FEDERAL FINANCIAL SUPPORT HAVE BEEN SOUGHT AND WILL BE UTILIZED.

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

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

(I) ON OR BEFORE DECEMBER 1 EACH YEAR, THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE LEGISLATIVE POLICY COMMITTEE, THE SENATE BUDGET AND TAXATION COMMITTEE, AND THE HOUSE

1 APPROPRIATIONS COMMITTEE THAT INCLUDES A DETAILED DESCRIPTION FOR THE
2 PRECEDING FISCAL YEAR OF THE:

3 (1) AMOUNT OF FUNDS TRANSFERRED AND DISTRIBUTED UNDER
4 SUBSECTION (G) OF THIS SECTION;

5 (2) ADDITIONAL SERVICES PROVIDED BY THE FUNDING;

6 (3) AMOUNT OF ANY UNSPENT FUNDS; AND

7 (4) REASONS FUNDS IDENTIFIED UNDER ITEM (3) OF THIS
8 SUBSECTION WERE NOT SPENT.

9 (J) MONEY EXPENDED FROM THE FUND IN ACCORDANCE WITH
10 SUBSECTION (G) OF THIS SECTION IS SUPPLEMENTAL TO AND IS NOT INTENDED TO
11 TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2021.