

SENATE BILL 509

C8

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By: **Senator Peters**

Introduced and read first time: January 20, 2021

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **National Capital Strategic Economic Development Program – Eligibility**

3 FOR the purpose of altering the definition of “national capital region” for the purposes of
4 the National Capital Strategic Economic Development Program; requiring certain
5 percentages of the National Capital Strategic Economic Development Fund to be
6 used for community enhancement projects in sustainable communities located in
7 certain areas in certain fiscal years; and generally relating to the National Capital
8 Strategic Economic Development Program.

9 BY repealing and reenacting, with amendments,
10 Article – Housing and Community Development
11 Section 6–701 and 6–710
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2020 Supplement)

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

16 **Article – Housing and Community Development**

17 6–701.

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

19 (b) “Community development financial institution” has the meaning stated in 12
20 U.S.C. § 4702.

21 (c) “Community development organization” means an entity that meets the
22 requirements under § 6–704 of this subtitle.

23 (d) (1) “Financial assistance” means a grant, a loan, or an investment provided

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



under this subtitle.

(2) “Financial assistance” includes:

(i) an assurance;

(ii) a guarantee;

(iii) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(iv) a reduction in the principal obligation of or rate of interest payable on a loan or a portion of a loan; and

(v) any other form of credit enhancement.

(e) “National capital region” means the areas of the State located within[:

(1) the boundary created by Interstate 495 in the State and the District of Columbia; and

(2) (i) any qualified opportunity zone designated under § 1400Z–1 of the Internal Revenue Code in Montgomery County or Prince George’s County; or

(ii) an enterprise zone, as defined in § 5–701 of the Economic Development Article, in Montgomery County or Prince George’s County] **A SUSTAINABLE COMMUNITY IN MONTGOMERY COUNTY OR PRINCE GEORGE’S COUNTY.**

(f) “Program” means the National Capital Strategic Economic Development Program.

(g) “Sustainable community” means an area designated as a sustainable community under § 6–205 of this title.

6–710.

(a) In this section, “Fund” means the National Capital Strategic Economic Development Fund.

(b) There is a National Capital Strategic Economic Development Fund.

(c) The purpose of the Fund is to provide financial assistance under the Program.

(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.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(f) The Fund consists of:

(1) money appropriated in the State budget to the Fund;

(2) interest earnings of the Fund; and

(3) any other money from any other source accepted for the benefit of the Fund.

(g) [The] **SUBJECT TO SUBSECTION (K) OF THIS SECTION**, THE Fund may be used only for providing financial assistance under the Program.

(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) Expenditures from the Fund may be made only in accordance with the State budget.

(j) (1) For fiscal years 2021 through 2025, the Governor shall include in the annual operating budget an appropriation for the Fund in the amount of \$200,000.

(2) For fiscal years 2021 through 2025, the Governor shall include in the annual operating or capital budget an appropriation for the Fund in the amount of \$7,000,000.

(K) (1) IN FISCAL YEARS 2022 AND 2023, AT LEAST 75% OF THE FUND SHALL BE USED FOR COMMUNITY ENHANCEMENT PROJECTS IN SUSTAINABLE COMMUNITIES LOCATED, AT LEAST IN PART, WITHIN THE BOUNDARY CREATED BY INTERSTATE 495 IN THE STATE AND THE DISTRICT OF COLUMBIA.

(2) IN FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER, 100% OF THE FUND SHALL BE USED FOR COMMUNITY ENHANCEMENT PROJECTS IN SUSTAINABLE COMMUNITIES LOCATED, AT LEAST IN PART, WITHIN THE BOUNDARY CREATED BY INTERSTATE 495 IN THE STATE AND THE DISTRICT OF COLUMBIA.

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