

SENATE BILL 474

C8
SB 803/21 – B&T

2lr2313
CF HB 838

By: ~~Senators Edwards and Corderman~~, Corderman, and Hester

Introduced and read first time: January 27, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 4, 2022

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Western Maryland Economic Future Investment**
3 **Board and Fund – Establishment**

4 FOR the purpose of establishing the Western Maryland Economic Future Investment
5 Board; establishing the Western Maryland Economic Future Investment Fund as a
6 special, nonlapsing fund; establishing the qualifications necessary to receive certain
7 funding; requiring the Board to develop criteria to review, evaluate, and rate certain
8 proposals for funding, to distribute certain funding, and to monitor and track the
9 progress of certain projects that have received funding; and generally relating to the
10 establishment of the Western Maryland Economic Future Investment Board and
11 Fund.

12 BY repealing and reenacting, without amendments,
13 Article – Economic Development
14 Section 13–701 and 13–702(a)
15 Annotated Code of Maryland
16 (2018 Replacement Volume and 2021 Supplement)

17 BY adding to
18 Article – Economic Development
19 Section 13–736 through 13–741 to be under the new part “Part IV. Western
20 Maryland Economic Future Investment Program”
21 Annotated Code of Maryland
22 (2018 Replacement Volume and 2021 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2021 Replacement Volume)

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

13–701.

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

(b) “Commissioners” means the Board of County Commissioners of Allegany County, Garrett County, or Washington County, respectively.

(c) “Council” means the Tri–County Council for Western Maryland.

(d) “Executive Director” means the Executive Director of the Council.

(e) “Member county” means each county in the region that pays annual dues that the Council sets.

(f) “Plan” means a regional plan that the Council prepares for the region.

(g) “Region” means Allegany, Garrett, and Washington counties.

13–702.

(a) There is a Tri–County Council for Western Maryland.

13–734. RESERVED.

1 **13-735. RESERVED.**

2 **PART IV. WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT PROGRAM.**

3 **13-736.**

4 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (B) “BOARD” MEANS THE WESTERN MARYLAND ECONOMIC FUTURE
7 INVESTMENT BOARD ESTABLISHED UNDER § 13-737 OF THIS SUBTITLE.

8 (C) “FUND” MEANS THE WESTERN MARYLAND ECONOMIC FUTURE
9 INVESTMENT FUND ESTABLISHED UNDER § 13-738 OF THIS SUBTITLE.

10 **13-737.**

11 (A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT
12 BOARD.

13 (B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

14 (1) ONE REPRESENTATIVE FROM THE DEPARTMENT OF COMMERCE,
15 APPOINTED BY THE SECRETARY OF COMMERCE;

16 (2) ONE COMMISSIONER FROM EACH MEMBER COUNTY, APPOINTED
17 BY EACH MEMBER COUNTY’S RESPECTIVE COMMISSIONERS;

18 (3) ONE REPRESENTATIVE OF AN ECONOMIC DEVELOPMENT
19 ORGANIZATION IN EACH MEMBER COUNTY, APPOINTED BY EACH MEMBER COUNTY’S
20 RESPECTIVE COMMISSIONERS;

21 (4) ONE REPRESENTATIVE FROM THE CHAMBER OF COMMERCE FROM
22 EACH MEMBER COUNTY, APPOINTED BY EACH MEMBER COUNTY’S RESPECTIVE
23 CHAMBER OF COMMERCE; AND

24 (5) ONE REPRESENTATIVE FROM THE MARYLAND MUNICIPAL
25 LEAGUE, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE LEAGUE.

26 (C) THE REPRESENTATIVE FROM THE DEPARTMENT OF COMMERCE SHALL
27 CHAIR THE BOARD.

28 (D) THE COUNCIL SHALL PROVIDE STAFF FOR THE BOARD.

29 (E) A MEMBER OF THE BOARD:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;
BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

13-738.

(A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT
FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANT OR LOAN FUNDING
TO CAPITAL INFRASTRUCTURE PROJECTS AND BUSINESS DEVELOPMENT PROJECTS
THAT IMPROVE THE ECONOMIC CONDITIONS IN THE REGION.

(C) THE COUNCIL SHALL ADMINISTER THE FUND.

(D) (1) THE FUND CONSISTS OF:

(I) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

(II) INTEREST OR OTHER INCOME EARNED ON THE INVESTMENT
OF MONEY IN THE FUND; AND

(III) ANY OTHER MONEY ACCEPTED FOR THE BENEFIT OF THE
FUND.

(2) FOR FISCAL YEARS 2024 ~~THROUGH 2028~~ AND 2025, THE
GOVERNOR SHALL INCLUDE IN THE ANNUAL OPERATING OR CAPITAL BUDGET BILL
AN APPROPRIATION OF AT LEAST \$20,000,000 TO THE FUND.

(E) MONEY IN THE FUND MAY BE USED ONLY TO:

(1) AWARD GRANTS AND PROVIDE LOANS TO CAPITAL
INFRASTRUCTURE PROJECTS AND BUSINESS DEVELOPMENT PROJECTS TO
IMPROVE THE ECONOMIC CONDITIONS IN THE REGION; AND

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

(F) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
SUBJECT TO REVERSION UNDER § 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 (3) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND
4 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

5 (4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED
6 TO THE FUND.

7 13-739.

8 (A) A MEMBER COUNTY OR LOCAL ENTITY WITHIN A MEMBER COUNTY MAY
9 SUBMIT A PROPOSAL FOR FUNDING UNDER THIS PART.

10 (B) TO QUALIFY FOR ~~THE FUNDING IN SUBSECTION (A) OF THIS SECTION~~, A
11 PROJECT SHALL BE:

12 (1) A CAPITAL INFRASTRUCTURE PROJECT THAT:

13 (I) IS LINKED TO ECONOMIC DEVELOPMENT IN THE REGION, AS
14 APPROVED BY THE BOARD; AND

15 (II) RECEIVES 20% MATCHING FUNDS FROM THE MEMBER
16 COUNTY WHERE THE PROJECT IS LOCATED, ANOTHER LOCAL ENTITY, A PRIVATE
17 BUSINESS, OR A COMBINATION THEREOF;

18 (2) A BUSINESS DEVELOPMENT PROJECT THAT:

19 (I) ENCOURAGES AND PROMOTES DOWNTOWN NEIGHBORHOOD
20 REVITALIZATION, SMALL BUSINESS TOURISM, OR OTHER AREAS AS APPROVED BY
21 THE BOARD; AND

22 (II) RECEIVES 10% MATCHING FUNDS FROM THE MEMBER
23 COUNTY WHERE THE PROJECT IS LOCATED, ANOTHER LOCAL ENTITY, A PRIVATE
24 BUSINESS, OR A COMBINATION THEREOF; OR

25 (3) ANY OTHER PROJECT THAT THE BOARD DETERMINES IS
26 APPROPRIATE TO PROMOTE ECONOMIC DEVELOPMENT IN THE REGION.

27 (C) (1) (I) THE BOARD SHALL DEVELOP CRITERIA TO REVIEW,
28 EVALUATE, AND RATE PROJECT PROPOSALS FOR FUNDING UNDER THIS PART.

29 (II) THE CRITERIA IN SUBPARAGRAPH (I) OF THIS PARAGRAPH
30 SHALL ENSURE THAT THE PROJECT:

- 1 1. CREATES OR RETAINS JOBS;
- 2 2. CREATES OR RETAINS BUSINESSES;
- 3 3. INCREASES WAGES; OR
- 4 4. CREATES NEW STATE OR LOCAL TAX REVENUE.

5 (2) THE BOARD SHALL DISTRIBUTE GRANTS AND LOANS TO
6 PROJECTS BASED ON THE CRITERIA DEVELOPED IN ACCORDANCE WITH PARAGRAPH
7 (1) OF THIS SUBSECTION.

8 (D) (1) THE BOARD SHALL MONITOR AND TRACK THE PROGRESS OF
9 EACH PROJECT THAT RECEIVES FUNDING UNDER THIS PART.

10 (2) IF THE BOARD DETERMINES THAT SUFFICIENT PROGRESS IS NOT
11 BEING MADE TOWARD ACHIEVING THE REQUIREMENTS OF THIS SECTION, THE
12 BOARD MAY RECLAIM THE AWARDED FUNDS.

13 (E) THE FUNDING PROVIDED IN THIS SECTION SHALL BE USED TO
14 SUPPLEMENT AND NOT SUPPLANT, ANY FUNDS THAT WOULD OTHERWISE BE
15 PROVIDED TO THE BOARD OR THE MEMBER COUNTIES.

16 13-740.

17 (A) ON OR BEFORE DECEMBER 31 EACH YEAR, THE BOARD SHALL REPORT
18 TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE
19 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE IMPLEMENTATION OF
20 THIS PART.

21 (B) THE REPORT REQUIRED IN SUBSECTION (A) OF THIS SECTION SHALL
22 INCLUDE, DISAGGREGATED BY MEMBER COUNTY:

23 (1) THE NUMBER OF NEW PROJECTS FUNDED DURING THE PREVIOUS
24 YEAR;

25 (2) THE NUMBER OF PROJECTS THAT WERE COMPLETED DURING THE
26 PREVIOUS YEAR;

27 (3) THE NUMBER OF ONGOING PROJECTS THAT WERE NOT
28 COMPLETED DURING THE PREVIOUS YEAR;

(4) THE AMOUNT AND TYPE OF FUNDING RECEIVED BY EACH PROJECT;

(5) THE CURRENT STATUS OF EACH ONGOING PROJECT; AND

(6) ANY OTHER RELEVANT ECONOMIC METRICS DETERMINED BY THE BOARD.

13-741.

THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS PART.

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:

144. the Health Equity Resource Community Reserve Fund;

[and]

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

146. THE WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2022. It shall remain effective for a period of ~~5~~ 3 years and, at the end of ~~September 30, 2027~~ May 31, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.