

# SENATE BILL 559

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CF HB 686

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By: ~~Senator Ferguson~~ **Senators Ferguson, McFadden, Pugh, Nathan-Pulliam, and Conway**

Introduced and read first time: February 4, 2016

Assigned to: Education, Health, and Environmental Affairs

Re-referred to: Budget and Taxation, March 18, 2016

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 25, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Housing and Community Development – Strategic Demolition**  
3 **and Smart Growth Impact Fund – Establishment**

4 FOR the purpose of establishing the Strategic Demolition and Smart Growth Impact Fund  
5 as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the  
6 Department of Housing and Community Development to administer the Fund;  
7 requiring the State Treasurer to hold the Fund and the Comptroller to account for  
8 the Fund; specifying the contents of the Fund; specifying the purposes for which the  
9 Fund may be used; specifying certain eligibility criteria for certain fiscal years for  
10 awarding grants and loans from the Fund; providing for the investment of money in  
11 and expenditures from the Fund; requiring interest earnings of the Fund to be  
12 credited to the Fund; beginning in a certain fiscal year, requiring the Governor to  
13 include in the annual budget bill an appropriation of a certain amount to the Fund  
14 for certain fiscal years and requiring the appropriation to be allocated in a certain  
15 manner; exempting the Fund from a certain provision of law requiring interest on  
16 State money in special funds to accrue to the General Fund of the State; defining a  
17 certain term; requiring a certain amount appropriated in a certain supplemental  
18 budget for a certain program in the Department for a certain fiscal year to be  
19 appropriated to the Fund and allocated in a certain manner; and generally relating  
20 to the Strategic Demolition and Smart Growth Impact Fund in the Department of  
21 Housing and Community Development.

22 BY adding to

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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.



1 Article – Housing and Community Development  
 2 Section 4–508  
 3 Annotated Code of Maryland  
 4 (2006 Volume and 2015 Supplement)

5 BY repealing and reenacting, without amendments,  
 6 Article – State Finance and Procurement  
 7 Section 6–226(a)(2)(i)  
 8 Annotated Code of Maryland  
 9 (2015 Replacement Volume)

10 BY repealing and reenacting, with amendments,  
 11 Article – State Finance and Procurement  
 12 Section 6–226(a)(2)(ii)84. and 85.  
 13 Annotated Code of Maryland  
 14 (2015 Replacement Volume)

15 BY adding to  
 16 Article – State Finance and Procurement  
 17 Section 6–226(a)(2)(ii)86.  
 18 Annotated Code of Maryland  
 19 (2015 Replacement Volume)

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

22 **Article – Housing and Community Development**

23 **4–508.**

24 **(A) IN THIS SECTION, “FUND” MEANS THE STRATEGIC DEMOLITION AND**  
 25 **SMART GROWTH IMPACT FUND.**

26 **(B) THERE IS A STRATEGIC DEMOLITION AND SMART GROWTH IMPACT**  
 27 **FUND.**

28 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS AND LOANS TO**  
 29 **ASSIST IN PREDEVELOPMENT ACTIVITIES, INCLUDING DEMOLITION, LAND**  
 30 **ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE DEVELOPMENT FOR**  
 31 **REVITALIZATION PROJECTS IN DESIGNATED AREAS OF THE STATE.**

32 **(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

33 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
 34 **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) REPAYMENTS OF LOANS MADE FROM THE FUND;**

6           **(3) INTEREST EARNINGS OF THE FUND; AND**

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

9           **(G) (1) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS AND LOANS**  
10 **TO GOVERNMENT AGENCIES AND COMMUNITY DEVELOPMENT ORGANIZATIONS FOR**  
11 **DEMOLITION, LAND ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE**  
12 **DEVELOPMENT FOR REVITALIZATION PROJECTS IN AN AREA DESIGNATED AS A**  
13 **SUSTAINABLE COMMUNITY.**

14           **(2) (I) FOR FISCAL YEARS 2017 THROUGH 2019, TO BE ELIGIBLE**  
15 **FOR A GRANT OR LOAN FROM THE FUND, A GOVERNMENT AGENCY OR COMMUNITY**  
16 **DEVELOPMENT ORGANIZATION SHALL PROVIDE EVIDENCE OF A MATCHING FUND**  
17 **THAT IS EQUAL TO \$1 FOR EVERY \$4 IN STATE FUNDING THAT THE AGENCY OR**  
18 **ORGANIZATION IS APPLYING FOR FROM THE FUND.**

19           **(II) THE MATCHING FUND REQUIRED UNDER SUBPARAGRAPH**  
20 **(I) OF THIS PARAGRAPH MAY INCLUDE:**

21                   **1. MONEY FROM THE FEDERAL GOVERNMENT, LOCAL**  
22 **GOVERNMENT, OR ANY OTHER PUBLIC OR PRIVATE SOURCE;**

23                   **2. REAL PROPERTY;**

24                   **3. IN-KIND CONTRIBUTIONS; AND**

25                   **4. FUNDS EXPENDED BEFORE THE DATE THE GRANT OR**  
26 **LOAN IS AWARDED.**

27           **(3) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, TO**  
28 **BE ELIGIBLE FOR A GRANT OR LOAN FROM THE FUND, A GOVERNMENT AGENCY OR**  
29 **COMMUNITY DEVELOPMENT ORGANIZATION IS NOT REQUIRED TO PROVIDE**  
30 **EVIDENCE OF A MATCHING FUND.**

1           ~~(2)~~ **(4)**       **THE DEPARTMENT SHALL AWARD GRANTS AND LOANS**  
 2 **FROM THE FUND ON A COMPETITIVE BASIS.**

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

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

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

9           **(J) (1) FOR FISCAL YEAR ~~2018 AND EACH FISCAL YEAR THEREAFTER,~~**  
 10 **~~THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION~~**  
 11 **~~OF \$20,000,000 TO THE FUND~~ 2018, THE GOVERNOR SHALL INCLUDE IN THE**  
 12 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$25,625,000 TO THE FUND, WHICH**  
 13 **SHALL BE ALLOCATED AS FOLLOWS:**

14                       **(I) \$22,125,000 FOR PROJECTS IN BALTIMORE CITY; AND**

15                       **(II) \$3,500,000 FOR PROJECTS THROUGHOUT THE STATE.**

16           **(2) FOR FISCAL YEAR 2019, THE GOVERNOR SHALL INCLUDE IN THE**  
 17 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$28,500,000 TO THE FUND, WHICH**  
 18 **SHALL BE ALLOCATED AS FOLLOWS:**

19                       **(I) \$25,000,000 FOR PROJECTS IN BALTIMORE CITY; AND**

20                       **(II) \$3,500,000 FOR PROJECTS THROUGHOUT THE STATE.**

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.

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

31                               84. the Economic Development Marketing Fund; [and]

1                   85. the Military Personnel and Veteran-Owned Small  
2 Business No-Interest Loan Fund; AND

3                   **86. THE STRATEGIC DEMOLITION AND SMART GROWTH**  
4 **IMPACT FUND.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That the amount appropriated in  
6 Supplemental Budget No. 2 to Chapter (S.B. 190) of the Acts of the General Assembly  
7 of 2016 (Budget Bill Fiscal Year 2017) to the Department of Housing and Community  
8 Development Neighborhood Revitalization – Capital Program for fiscal year 2017 shall be  
9 appropriated to the Strategic Demolition and Smart Growth Impact Fund established  
10 under § 4-508 of the Housing and Community Development Article and shall be allocated  
11 as follows:

12                   (1)    \$18,000,000 for projects in Baltimore City; and

13                   (2)    \$3,500,000 for projects throughout the State.

14           SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 July 1, 2016.

Approved:

\_\_\_\_\_ Governor.

\_\_\_\_\_ President of the Senate.

\_\_\_\_\_ Speaker of the House of Delegates.