

SENATE BILL 1172

C8

6lr3878
CF HB 1400

By: **Senators Pugh, Conway, McFadden, Ferguson, and Nathan-Pulliam**
Constitutional Requirements Complied with for Introduction in the last 35 Days of Session
Introduced and read first time: March 18, 2016
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 25, 2016

CHAPTER _____

1 AN ACT concerning

2 **Seed Community Development Anchor Institution Fund**

3 FOR the purpose of establishing the Seed Community Development Anchor Institution
4 Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the
5 Department of Housing and Community Development to administer the Fund;
6 requiring the State Treasurer to hold the Fund and the Comptroller to account for
7 the Fund; specifying the contents of the Fund; specifying the purpose for which the
8 Fund may be used; specifying certain eligibility criteria and a certain process for
9 awarding grants and loans from the Fund; providing for the investment of money in
10 and expenditures from the Fund; requiring interest earnings of the Fund to be
11 credited to the Fund; beginning in a certain fiscal year, requiring the Governor to
12 include in the annual budget bill an appropriation of a certain amount to the Fund
13 for certain fiscal years; exempting the Fund from a certain provision of law requiring
14 interest on State money in special funds to accrue to the General Fund of the State;
15 defining certain terms; and generally relating to the Seed Community Development
16 Anchor Institution Fund in the Department of Housing and Community
17 Development.

18 BY adding to
19 Article – Housing and Community Development
20 Section 4–508
21 Annotated Code of Maryland
22 (2006 Volume and 2015 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.



1 BY repealing and reenacting, without amendments,

2 Article – State Finance and Procurement

3 Section 6–226(a)(2)(i)

4 Annotated Code of Maryland

5 (2015 Replacement Volume)

6 BY repealing and reenacting, with amendments,

7 Article – State Finance and Procurement

8 Section 6–226(a)(2)(ii)84. and 85.

9 Annotated Code of Maryland

10 (2015 Replacement Volume)

11 BY adding to

12 Article – State Finance and Procurement

13 Section 6–226(a)(2)(ii)86.

14 Annotated Code of Maryland

15 (2015 Replacement Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

18 **Article – Housing and Community Development**

19 **4–508.**

20 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
21 **INDICATED.**

22 **(2) “ANCHOR INSTITUTION” MEANS:**

23 **(I) AN INSTITUTION OF HIGHER EDUCATION IN THE STATE; OR**

24 **(II) A HOSPITAL INSTITUTION IN THE STATE THAT:**

25 **1. HAS A GROUP OF AT LEAST FIVE PHYSICIANS WHO ARE**
26 **ORGANIZED AS A MEDICAL STAFF FOR THE INSTITUTION;**

27 **2. MAINTAINS FACILITIES TO PROVIDE, UNDER THE**
28 **SUPERVISION OF THE MEDICAL STAFF, DIAGNOSTIC AND TREATMENT SERVICES FOR**
29 **TWO OR MORE UNRELATED INDIVIDUALS; AND**

30 **3. ADMITS OR RETAINS THE INDIVIDUALS FOR**
31 **OVERNIGHT CARE.**

32 **(3) “BLIGHTED AREA” MEANS AN AREA IN WHICH A MAJORITY OF**
33 **BUILDINGS HAVE DECLINED IN PRODUCTIVITY BY REASON OF OBSOLESCENCE,**

1 DEPRECIATION, OR OTHER CAUSES TO AN EXTENT THAT THEY NO LONGER JUSTIFY
2 FUNDAMENTAL REPAIRS AND ADEQUATE MAINTENANCE.

3 (4) "FUND" MEANS THE SEED COMMUNITY DEVELOPMENT ANCHOR
4 INSTITUTION FUND.

5 (B) THERE IS A SEED COMMUNITY DEVELOPMENT ANCHOR INSTITUTION
6 FUND.

7 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS AND LOANS TO
8 ANCHOR INSTITUTIONS FOR COMMUNITY DEVELOPMENT PROJECTS IN BLIGHTED
9 AREAS OF THE STATE.

10 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

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

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

15 (F) THE FUND CONSISTS OF:

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

17 (2) INTEREST EARNINGS OF THE FUND; AND

18 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
19 THE BENEFIT OF THE FUND.

20 (G) (1) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS AND LOANS
21 TO ANCHOR INSTITUTIONS FOR COMMUNITY DEVELOPMENT PROJECTS IN
22 BLIGHTED AREAS OF THE STATE.

23 (2) TO BE ELIGIBLE FOR A GRANT OR LOAN, AN ANCHOR INSTITUTION
24 SHALL PROVIDE EVIDENCE OF MATCHING FUNDS FROM A PRIVATE SOURCE.

25 (3) THE DEPARTMENT SHALL AWARD GRANTS AND LOANS FROM THE
26 FUND ON A COMPETITIVE BASIS.

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

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

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

5 **(J) FOR FISCAL ~~YEAR 2018 AND EACH FISCAL YEAR THEREAFTER~~ YEARS**
6 **2018 THROUGH 2022, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET**
7 **BILL AN APPROPRIATION OF ~~\$10,000,000~~ \$5,000,000 TO THE FUND.**

8 **Article – State Finance and Procurement**

9 6–226.

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

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

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

19 85. the Military Personnel and Veteran–Owned Small
20 Business No–Interest Loan Fund; AND

21 **86. THE SEED COMMUNITY DEVELOPMENT ANCHOR**
22 **INSTITUTION FUND.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.