

# SENATE BILL 821

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CF HB 109

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By: **Senators Madaleno, Ferguson, Guzzone, and Peters**

Introduced and read first time: February 5, 2018

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Community Development Program Act of 2018**

3 FOR the purpose of establishing the Community Development Program in the Department  
4 of Housing and Community Development; requiring the Department to perform  
5 certain duties; establishing the Community Development Board in the Department;  
6 providing for the membership and chair of the Board; requiring the Board to perform  
7 certain duties; establishing the Community Development Fund as a special,  
8 nonlapsing fund; specifying the purpose of the Fund; requiring the Department to  
9 administer the Fund with the assistance of the Board; requiring the State Treasurer  
10 to hold the Fund and the Comptroller to account for the Fund; specifying the contents  
11 of the Fund; specifying the purpose for which the Fund may be used; providing for  
12 the investment of money in and expenditures from the Fund; defining certain terms;  
13 and generally relating to the Community Development Program Act.

14 BY adding to

15 Article – Housing and Community Development

16 Section 6–601 through 6–609 to be under the new subtitle “Subtitle 6. Community  
17 Development Program Act”

18 Annotated Code of Maryland

19 (2006 Volume and 2017 Supplement)

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 **SUBTITLE 6. COMMUNITY DEVELOPMENT PROGRAM ACT.**

24 **6–601.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3 (B) "BOARD" MEANS THE COMMUNITY DEVELOPMENT BOARD.

4 (C) "FUND" MEANS THE COMMUNITY DEVELOPMENT FUND.

5 (D) "PROGRAM" MEANS THE COMMUNITY DEVELOPMENT PROGRAM.

6 **6-602.**

7 (A) THERE IS A COMMUNITY DEVELOPMENT PROGRAM IN THE  
8 DEPARTMENT.

9 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL  
10 ASSISTANCE FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY  
11 DEVELOPMENT ORGANIZATIONS AROUND THE STATE.

12 **6-603.**

13 **THE DEPARTMENT SHALL:**

14 (1) ADMINISTER THE PROGRAM; AND

15 (2) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

16 **6-604.**

17 (A) THERE IS A COMMUNITY DEVELOPMENT BOARD IN THE PROGRAM.

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

19 (1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE; AND

20 (2) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR, IN  
21 CONSULTATION WITH THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE  
22 HOUSE:

23 (I) ONE REPRESENTATIVE OF THE COMMUNITY  
24 DEVELOPMENT NETWORK OF MARYLAND;

25 (II) ONE REPRESENTATIVE OF THE SMALL BUSINESS  
26 COMMUNITY;

27 (III) ONE REPRESENTATIVE OF THE NONPROFIT DEVELOPMENT

1 COMMUNITY;

2 (IV) ONE REPRESENTATIVE OF THE FOR-PROFIT DEVELOPMENT  
3 COMMUNITY;

4 (V) ONE REPRESENTATIVE INVOLVED WITH RURAL COMMUNITY  
5 DEVELOPMENT;

6 (VI) ONE REPRESENTATIVE INVOLVED WITH SUBURBAN  
7 COMMUNITY DEVELOPMENT; AND

8 (VII) ONE REPRESENTATIVE INVOLVED WITH URBAN COMMUNITY  
9 DEVELOPMENT.

10 (C) THE SECRETARY SHALL DESIGNATE THE CHAIR OF THE BOARD.

11 (D) (1) THE TERM OF A MEMBER MAY NOT EXCEED 3 YEARS.

12 (2) A MEMBER MAY BE REAPPOINTED.

13 (E) SERVICE AS A MEMBER IS NOT A STATE OFFICE OR STATE EMPLOYMENT  
14 FOR PURPOSES OF ANY PROHIBITION AGAINST HOLDING TWO PUBLIC POSITIONS.

15 **6-605.**

16 THE BOARD SHALL:

17 (1) MAKE RECOMMENDATIONS ON HOW THE FUND IS TO BE USED;

18 (2) PROVIDE A PERIOD OF AT LEAST 30 DAYS FOR PUBLIC COMMENT  
19 ON THE RECOMMENDATIONS; AND

20 (3) REPORT ON OR BEFORE DECEMBER 31 EACH YEAR ON THE  
21 ACTIVITIES OF THE FUND AND MAKE ANY RECOMMENDATIONS REGARDING THE  
22 FUND TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE  
23 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

24 **6-606.**

25 (A) THERE IS A COMMUNITY DEVELOPMENT FUND.

26 (B) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE  
27 FOR COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY DEVELOPMENT  
28 ORGANIZATIONS AROUND THE STATE.

1 (C) THE DEPARTMENT SHALL ADMINISTER THE FUND WITH THE  
2 ASSISTANCE OF THE BOARD.

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

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

7 (E) THE FUND CONSISTS OF:

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

9 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
10 THE BENEFIT OF THE FUND.

11 (F) THE FUND MAY BE USED ONLY FOR:

12 (1) ADMINISTRATIVE EXPENSES OF THE DEPARTMENT IN  
13 ADMINISTERING THE PROGRAM; AND

14 (2) FINANCIAL ASSISTANCE FOR COMMUNITY DEVELOPMENT  
15 PROJECTS AND COMMUNITY DEVELOPMENT ORGANIZATIONS AS PROVIDED UNDER  
16 § 6-607 OF THIS SUBTITLE.

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

19 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO  
20 THE GENERAL FUND OF THE STATE.

21 (H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE  
22 WITH THE STATE BUDGET.

23 (I) MONEY EXPENDED FROM THE FUND FOR THE PROGRAM IS  
24 SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT  
25 OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

26 6-607.

27 IN CONSULTATION WITH THE BOARD, THE DEPARTMENT SHALL ADMINISTER  
28 THE FUND TO PROVIDE FINANCIAL ASSISTANCE, INCLUDING CAPITAL AND  
29 OPERATING GRANTS, TO COMMUNITY DEVELOPMENT PROJECTS AND COMMUNITY

1 DEVELOPMENT ORGANIZATIONS TO PROVIDE AND SUPPORT:

2 (1) AFFORDABLE HOUSING;

3 (2) NEIGHBORHOOD REVITALIZATION FOR RESIDENTIAL AND  
4 COMMERCIAL AREAS;

5 (3) HOUSING COUNSELING, FINANCIAL COUNSELING, AND  
6 FORECLOSURE PREVENTION;

7 (4) COMMUNITY ORGANIZING;

8 (5) SMALL BUSINESS DEVELOPMENT;

9 (6) COMMUNITY SERVICES; AND

10 (7) ANY OTHER COMMUNITY DEVELOPMENT PURPOSE.

11 **6-608.**

12 THE DEPARTMENT SHALL PROVIDE FINANCIAL ASSISTANCE FROM THE FUND  
13 IN THE FORM AND MANNER THE DEPARTMENT DETERMINES APPROPRIATE,  
14 INCLUDING PROVIDING CAPITAL AND OPERATING GRANTS.

15 **6-609.**

16 THIS SUBTITLE IS THE COMMUNITY DEVELOPMENT PROGRAM ACT.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2018.