

SENATE BILL 756

C8

9lr2821

By: **Senator Hester**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Community Development – Rural Maryland Opportunity Zone Fund**

3 FOR the purpose of establishing the Rural Maryland Opportunity Zone Fund as a special,
4 nonlapsing fund in the Department of Housing and Community Development;
5 specifying the purpose, use, and contents of the Fund; requiring the Secretary of
6 Housing and Community Development to administer the Fund; requiring the State
7 Treasurer to hold the Fund and the Comptroller to account for the Fund; providing
8 that expenditures from the Fund may be made only in accordance with the State
9 budget; requiring the Secretary to establish certain procedures for the disbursement
10 of financial incentives from the Fund; requiring an annual report; and generally
11 relating to the Rural Maryland Opportunity Zone Fund.

12 BY adding to
13 Article – Housing and Community Development
14 Section 4–512
15 Annotated Code of Maryland
16 (2006 Volume and 2018 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – State Finance and Procurement
19 Section 6–226(a)(2)(i)
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2018 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – State Finance and Procurement
24 Section 6–226(a)(2)(ii)112. and 113.
25 Annotated Code of Maryland
26 (2015 Replacement Volume and 2018 Supplement)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
2 Section 6–226(a)(2)(ii)114.
3 Annotated Code of Maryland
4 (2015 Replacement Volume and 2018 Supplement)

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

7 **Article – Housing and Community Development**

8 **4–512.**

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (2) “FUND” MEANS THE RURAL MARYLAND OPPORTUNITY ZONE
12 FUND.

13 (3) (I) “OPPORTUNITY ZONE” MEANS AN AREA DESIGNATED AS A
14 QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z–1 OF THE INTERNAL REVENUE
15 CODE.

16 (II) “OPPORTUNITY ZONE” DOES NOT INCLUDE AN AREA WHOSE
17 DESIGNATION UNDER § 1400Z–1 HAS LAPSED.

18 (B) THERE IS A RURAL MARYLAND OPPORTUNITY ZONE FUND IN THE
19 DEPARTMENT.

20 (C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL INCENTIVES TO
21 ENCOURAGE INVESTMENT IN DESIGNATED OPPORTUNITY ZONES IN WESTERN
22 MARYLAND AND ON THE EASTERN SHORE OF MARYLAND.

23 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

28 (F) THE FUND CONSISTS OF:

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

1 **(2) INVESTMENT EARNINGS OF THE FUND;**

2 **(3) REPAYMENTS OF LOANS MADE FROM THE FUND; AND**

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

5 **(G) THE FUND MAY BE USED FOR:**

6 **(1) GRANTS, LOANS, OR OTHER FINANCIAL INCENTIVES FOR**
7 **GOVERNMENTAL UNITS, COMMUNITY DEVELOPMENT ORGANIZATIONS, OR PRIVATE**
8 **ENTITIES FOR PROJECTS IN OPPORTUNITY ZONES IN WESTERN MARYLAND AND ON**
9 **THE EASTERN SHORE OF MARYLAND; AND**

10 **(2) ADMINISTRATIVE EXPENSES INCLUDING EXPENSES RELATED TO**
11 **MARKETING THE FUND.**

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

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

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

18 **(J) THE SECRETARY SHALL ESTABLISH PROCEDURES FOR GRANTING**
19 **FINANCIAL ASSISTANCE FROM THE FUND, INCLUDING A PROCESS FOR PUBLIC**
20 **INPUT INTO INVESTMENTS IN RURAL OPPORTUNITY ZONES AND FOR PARTNERING**
21 **WITH COMMUNITY DEVELOPMENT ORGANIZATIONS AND UNITS OF LOCAL**
22 **GOVERNMENT.**

23 **(K) ON OR BEFORE OCTOBER 1 EACH YEAR, THE DEPARTMENT SHALL**
24 **SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE**
25 **GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY AN ANNUAL REPORT THAT**
26 **INCLUDES THE AMOUNT OF INVESTMENT EACH YEAR IN RURAL OPPORTUNITY**
27 **ZONES, THE NUMBER OF PROJECTS, THE NUMBER OF LOCAL JOBS CREATED, AND**
28 **THE NUMBER OF PARTNERSHIPS WITH COMMUNITY DEVELOPMENT ORGANIZATIONS**
29 **AND UNITS OF LOCAL GOVERNMENT.**

30 **Article – State Finance and Procurement**

31 6-226.

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

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

9 112. the Pretrial Services Program Grant Fund; [and]

10 113. the Veteran Employment and Transition Success Fund;

11 **AND**

12 **114. THE RURAL MARYLAND OPPORTUNITY ZONE FUND.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2019.