
By: Chairman, Economic Matters Committee (Departmental - Housing and Community Development)

Introduced and read first time: February 14, 1996

Assigned to: Economic Matters

Reassigned: Appropriations, February 19, 1996

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 1996

CHAPTER _____

1 AN ACT concerning

2 Department of Housing and Community Development - Reorganization

3 FOR the purpose of reorganizing the Department of Housing and Community
4 Development by abolishing a certain division in the Department and creating a
5 certain new division in the Department; transferring certain functions and
6 responsibilities to certain divisions in the Department; correcting certain references
7 to certain entities; abolishing the Commission to Save the Lighthouses ~~and~~
8 providing for a lighthouse preservation advisor for the Lighthouse Preservation
9 Special Fund; transferring certain moneys in the Lighthouse Preservation Special
10 Fund to a certain grant fund; providing for a certain annual report; defining certain
11 terms; making provisions of this Act severable; and generally relating to the
12 reorganization of the Department of Housing and Community Development.

13 BY renumbering

14 Article 83B - Department of Housing and Community Development

15 Section 2-203(j) through (cc), respectively

16 to be Section 2-203(k) through (dd), respectively

17 Annotated Code of Maryland

18 (1995 Replacement Volume)

19 BY repealing and reenacting, with amendments,

20 Article 83B - Department of Housing and Community Development

21 Section 1-101 and 1-204(a); 2-101(b), 2-313(a) and (b), 2-505(a), 2-613(a),

22 2-708(a), 2-805(a); 2-1006(a) to be under the amended title "Title 2. Division

23 of Development Finance"; 3-101 to be under the amended title "Title 3.

24 Division of Credit Assurance"; 4-301 through 4-306 to be under the amended

2

1 subtitle "Subtitle 13. Neighborhood Housing Services Fund" in Title 2; 2-1301
2 through 2-1308, inclusive, to be under the amended subtitle "Subtitle 2.
3 Neighborhood Business Development Program" in Title 4; 4-401 to be under
4 the amended subtitle "Title 12. Community Action Agencies"; 4-501 through
5 4-503 to be under the amended subtitle "Title 13. Maryland State
6 Appalachian Housing Fund"; and 5-614.1
7 Annotated Code of Maryland
8 (1995 Replacement Volume)

9 BY repealing and reenacting, without amendments,

10 Article 83B - Department of Housing and Community Development
11 Section 2-203(a)
12 Annotated Code of Maryland
13 (1995 Replacement Volume)

14 BY repealing

15 Article 83B - Department of Housing and Community Development
16 Section 4-101; 4-201 and 4-202 and the subtitle "Subtitle 2. Community
17 Development Assistance Administration"; and 4-601 through 4-611, inclusive,
18 and the subtitle "Subtitle 6. State Action Loans for Targeted Area Programs";
19 ~~and 5-614.1~~
20 Annotated Code of Maryland
21 (1995 Replacement Volume)

22 BY adding to

23 Article 83B - Department of Housing and Community Development
24 Section 1-206, 2-203(j), 2-204(17); and 4-101 to be under the amended title "Title
25 4. Division of Neighborhood Revitalization"
26 Annotated Code of Maryland
27 (1995 Replacement Volume)

28 BY repealing

29 Article 41 - Governor - Executive and Administrative Departments
30 Section 18-301
31 Annotated Code of Maryland
32 (1993 Replacement Volume and 1995 Supplement)

33 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
34 MARYLAND, That Section(s) 2-203(j) through (cc), respectively, of Article 83B -
35 Department of Housing and Community Development of the Annotated Code of
36 Maryland be renumbered to be Section(s) 2-203(k) through (dd), respectively.

37 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 4-101; 4-201
38 and 4-202 and the subtitle "Subtitle 2. Community Development Assistance
39 Administration"; and 4-601 through 4-611, inclusive, and the subtitle "Subtitle 6. State
40 Action Loans for Targeted Area Programs"; ~~and 5-614.1~~ of Article 83B - Department of
41 Housing and Community Development of the Annotated Code of Maryland be repealed.

3

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 **Article 83B - Department of Housing and Community Development**

4 1-101.

5 (a) In this article the following words have the FOLLOWING meanings UNLESS
6 OTHERWISE indicated.

7 (B) "COMMUNITY ASSISTANCE" MEANS ACTIVITIES DESIGNED TO ENHANCE
8 THE PHYSICAL, SOCIAL OR ECONOMIC ENVIRONMENT OF A COMMUNITY IN ORDER
9 TO IMPROVE THE HEALTH, SAFETY, OR SOCIO-ECONOMIC WELFARE OF ITS
10 CITIZENS, INCLUDING THE PROMOTION OF SUCH ACTIVITIES THROUGH THE
11 CONCENTRATION AND COORDINATION OF FEDERAL, STATE, REGIONAL, AND
12 LOCAL PUBLIC AND PRIVATE RESOURCES IN MARYLAND'S COMMUNITIES.

13 (C) "COUNTY" MEANS ONE OF THE 23 COUNTIES OF MARYLAND, AND THE
14 MAYOR AND CITY COUNCIL OF BALTIMORE.

15 [(b)] (D) "Department" means the Department of Housing and Community
16 Development.

17 (E) "FINANCIAL ASSISTANCE" MEANS ANY FORM OF ASSURANCE,
18 GUARANTEE, GRANT, PAYMENT, OR OTHER ASSISTANCE, INCLUDING A LOAN, LOAN
19 GUARANTEE, OR REDUCTION IN THE PRINCIPAL OBLIGATIONS OF OR RATE OF
20 INTEREST PAYABLE ON A LOAN OR PORTION OF A LOAN.

21 (F) "LOCAL PUBLIC AGENCY" MEANS ANY BOARD, COMMISSION, AGENCY,
22 DEPARTMENT, OR AUTHORITY OF ANY MUNICIPALITY OR COUNTY FOR THE
23 PURPOSE OF CARRYING OUT COMMUNITY ASSISTANCE ACTIVITIES, PROJECTS, OR
24 PROGRAMS.

25 (G) "NEIGHBORHOOD OR COMMUNITY ORGANIZATION" MEANS ANY
26 NONPROFIT ORGANIZATION PERFORMING COMMUNITY SERVICES AND OFFERING
27 NEIGHBORHOOD ASSISTANCE.

28 (H) "NONPROFIT ORGANIZATION" MEANS A CORPORATION, FOUNDATION,
29 OR OTHER LEGAL ENTITY, NO PART OF THE NET EARNINGS OF WHICH INURES TO
30 THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL HOLDING AN
31 INTEREST IN SUCH ENTITY.

32 [(c)] (I) "Secretary" means the Secretary of Housing and Community
33 Development.

34 [(d)] (J) "State" means the State of Maryland.

35 (K) "TECHNICAL ASSISTANCE" MEANS THE PROVISION OF ADVISORY,
36 CONSULTATIVE, TRAINING, INFORMATION, DESIGN, ARCHITECTURAL,
37 ORGANIZATION, OR MANAGEMENT ASSISTANCE TO ANY MUNICIPALITY, COUNTY,
38 REGIONAL ORGANIZATION, NONPROFIT ORGANIZATION, LOCAL PUBLIC AGENCY,
39 OR NEIGHBORHOOD OR COMMUNITY ORGANIZATION IN ORDER TO ASSIST OR
40 CARRY OUT COMMUNITY ASSISTANCE ACTIVITIES, PROJECTS, OR PROGRAMS.

4

1 1-204.

2 (a) The following agencies, boards, commissions, councils, corporations,
3 authorities, trusts, and divisions shall be included within the Department:

4 (1) Division of [Housing] DEVELOPMENT Finance;

5 (2) Maryland Housing Policy Commission;

6 (3) Community Development Administration;

7 (4) Division of [Housing] Credit Assurance;

8 (5) Maryland Housing Fund;

9 (6) Division of [Community Assistance] NEIGHBORHOOD
10 REVITALIZATION;

11 (7) Division of Historical and Cultural Programs;

12 (8) Historic St. Mary's City Commission;

13 (9) Commission on [Afro-American] AFRICAN AMERICAN History and
14 Culture;

15 (10) Commission on Indian Affairs; and

16 (11) Maryland Historical Trust.

17 1-206.

18 THE DEPARTMENT SHALL HAVE THE FOLLOWING FUNCTIONS AND
19 RESPONSIBILITIES:

20 (1) ENCOURAGE AND ASSIST THE EFFORTS OF COUNTIES AND
21 MUNICIPAL CORPORATIONS AND OTHER PUBLIC AND PRIVATE COMMUNITY
22 ORGANIZATIONS TO DEVELOP MUTUAL AND COOPERATIVE SOLUTIONS TO THEIR
23 COMMON PROBLEMS;

24 (2) SERVE AS A CLEARINGHOUSE FOR INFORMATION, DATA, AND
25 OTHER MATERIALS THAT MAY BE PERTINENT TO SOUND COMMUNITY ASSISTANCE,
26 INCLUDING INFORMATION ON AVAILABLE FEDERAL, STATE, AND PRIVATE
27 FINANCIAL ASSISTANCE AND TECHNICAL ASSISTANCE;

28 (3) IMPLEMENT MODEL OR DEMONSTRATION PROGRAMS AND
29 PROJECTS OR OTHERWISE PROVIDE A PROGRAM OF PRACTICAL RESEARCH IN
30 COMMUNITY ASSISTANCE;

31 (4) PROVIDE GRANTS AND LOANS FACILITATING ENERGY
32 CONSERVATION AND UTILIZATION OF SOLAR ENERGY IN COMMERCIAL AND
33 RESIDENTIAL BUILDINGS;

34 (5) PROVIDE ADVISORY, CONSULTATIVE, TRAINING, EDUCATIONAL
35 SERVICES, AND TECHNICAL ASSISTANCE TO ANY MUNICIPAL CORPORATION,

5

1 COUNTY, LOCAL PUBLIC AGENCY, OR NONPROFIT ORGANIZATION IN ORDER TO
2 CARRY OUT COMMUNITY ASSISTANCE PURPOSES;

3 (6) CONTRACT FOR AND ACCEPT ANY GIFT, GRANT, CONTRIBUTION, OR
4 LOAN OF FUNDS, PROPERTY, OR OTHER AID IN ANY FORM FOR COMMUNITY
5 ASSISTANCE FROM ANY AGENCY OR INSTRUMENTALITY OF THE STATE OR
6 FEDERAL GOVERNMENT, OR FROM ANY OTHER SOURCE, AND COMPLY WITH THE
7 TERMS AND CONDITIONS THEREOF;

8 (7) ATTACH SPECIFIC TERMS AND CONDITIONS TO ANY FINANCIAL
9 ASSISTANCE AS MAY BE DETERMINED BY THE SECRETARY;

10 (8) PARTICIPATE WITH MUNICIPAL GOVERNMENTS, COUNTIES,
11 REGIONAL GOVERNMENTS, ORGANIZATIONS, AND THE FEDERAL GOVERNMENT IN
12 THE DEVELOPMENT, FINANCING, AND IMPLEMENTATION OF A PROGRAM DESIGNED
13 TO BUILD THE MANAGEMENT CAPABILITIES OF MUNICIPAL GOVERNMENTS BY
14 SUPPLYING NEEDED MANAGERIAL EXPERTISE THROUGH CIRCUIT RIDING
15 MANAGERS TO MUNICIPAL CORPORATIONS; AND

16 (9) ADMINISTER PROGRAMS OF THE FEDERAL GOVERNMENT
17 RELATING TO COMMUNITY ASSISTANCE.

18 Title 2. Division of [Housing] DEVELOPMENT Finance.

19 Subtitle 1. Division Established.

20 2-101.

21 (b) The Division of Development Finance includes:

22 (1) The Community Development Administration;

23 (2) The Maryland Housing Rehabilitation Program;

24 (3) The Rental Housing Production Program;

25 (4) The Maryland Home Financing Program;

26 (5) The Group Home Financing Program;

27 (6) The Elderly Rental Housing Program;

28 (7) The Settlement Expense Loan Program;

29 (8) The Partnership Rental Housing Program;

30 (9) The Operating Assistance Grant Demonstration Projects; [and]

31 (10) [The Neighborhood Business Development Program] FEDERAL AND
32 STATE WEATHERIZATION PROGRAMS;

33 (11) THE LOCAL GOVERNMENT INFRASTRUCTURE PROGRAM; AND

34 (12) THE NEIGHBORHOOD HOUSING SERVICES FUND.

6

1 2-203.

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

3 (J) "ELIGIBLE HOUSEHOLDS" MEANS HOUSEHOLDS THAT QUALIFY FOR
4 WEATHERIZATION PROGRAM ALLOTMENTS BASED ON INCOME AND PROGRAM
5 ELIGIBILITY GUIDELINES ESTABLISHED BY THE SECRETARY.

6 2-204.

7 The Administration shall have the following functions and responsibilities:

8 (17) DEVELOP AND IMPLEMENT A WEATHERIZATION PROGRAM TO
9 PROVIDE FUNDS FOR INSULATION MATERIALS AND INSULATION COSTS TO
10 ELIGIBLE HOUSEHOLDS IN THE STATE.

11 2-313.

12 (a) Rehabilitation loans under the Multifamily Rehabilitation Program and
13 nonprofit rehabilitation loans shall be funded with moneys in the Rental Housing
14 Programs Fund, which fund shall be a continuing, nonlapsing special fund consisting of:

15 (1) Moneys appropriated by the State for rental housing programs, including
16 the Rental Housing Production Program authorized by Subtitle 5 of this title, the Elderly
17 Rental Housing Program authorized by Subtitle 8 of this title, the Nonprofit
18 Rehabilitation Program authorized by § 2-305 of this subtitle, and the Multifamily
19 Rehabilitation Program as authorized by § 2-303 of this subtitle;

20 (2) Repayments and prepayments of loans made under such Program, both
21 prior to and after July 1, 1989; and

22 (3) Moneys transferred to the Fund in accordance with subsection (j) of this
23 section and §§ 2-613(d), 2-708(d), 2-1006(e), and [2-1307(d) of this title] 4-207(D) OF
24 THIS ARTICLE.

25 (b) Rehabilitation loans under the Regular Rehabilitation Program and special
26 loans made under the special loan programs shall be funded with moneys in the Special
27 Loan Programs Fund, which fund shall be a continuing, nonlapsing special fund consisting
28 of:

29 (1) Moneys appropriated by the State for special loan programs, including
30 the Special Rehabilitation Program authorized under § 2-303 of this subtitle, the Group
31 Home Financing Program authorized under Subtitle 7 of this title, and the Regular
32 Rehabilitation Program as authorized under § 2-303 of this subtitle;

33 (2) Repayments and prepayments of loans made under such programs, both
34 prior to and after July 1, 1989; and

35 (3) Moneys transferred to the Fund in accordance with subsection (j) of this
36 section and §§ 2-505(d), 2-613(d), 2-805(d), 2-1006(e), and [2-1307(d) of this title]
37 4-207(D) OF THIS ARTICLE.

7

1 2-505.

2 (a) The Program shall be operated with moneys in the Rental Housing Programs
3 Fund, which Fund shall be a continuing, nonlapsing special fund consisting of:

4 (1) Moneys appropriated by the State for rental housing programs, including
5 the Rental Housing Production Program authorized by this subtitle, the Elderly Rental
6 Housing Program authorized by Subtitle 8 of this title, the Nonprofit Rehabilitation
7 Program authorized by § 2-305 of this title, and the Multifamily Maryland Housing
8 Rehabilitation Program as authorized by § 2-303 of this title;

9 (2) Repayments and prepayments of loans made under such programs, both
10 prior to and after July 1, 1989; and

11 (3) Moneys transferred to the Fund in accordance with §§ 2-613(d),
12 2-708(d), 2-313(j), 2-1006(e), and [2-1307(d) of this title] 4-207(D) OF THIS ARTICLE.

13 2-613.

14 (a) The Program shall be operated with moneys in the Homeownership Programs
15 Fund, which Fund shall be a continuing, nonlapsing special fund consisting of:

16 (1) Moneys appropriated by the State for homeownership programs,
17 including the Maryland Home Financing Program authorized under this subtitle and the
18 Settlement Expense Loan Program authorized under Subtitle 10 of this title;

19 (2) Any moneys received from the sale of the State's general obligation
20 bonds;

21 (3) Repayments or prepayments of principal and interest on loans made
22 under the Program, or under the Homeowners' Emergency Mortgage Assistance
23 Program, the Reverse Equity Program, or the Maryland Home Financing Program prior
24 to July 1, 1989, or under the Settlement Expense Loan Program prior to or after July 1,
25 1989;

26 (4) All moneys credited to the Reverse Equity Program or the Homeowners'
27 Emergency Mortgage Assistance Program which moneys shall be transferred to the
28 Homeownership Programs Fund as of July 1, 1989; and

29 (5) Any moneys transferred to the Fund in accordance with §§ 2-313(j),
30 2-505(d), 2-708(d), 2-805(d), and [2-1307(d) of this title] 4-207(D) OF THIS ARTICLE.

31 2-708.

32 (a) The Program shall be operated with moneys in the Special Loan Programs
33 Fund, which Fund shall be a continuing, nonlapsing special fund consisting of:

34 (1) Moneys appropriated by the State for the Special Maryland Housing
35 Rehabilitation Program authorized under § 2-303 of this title, the Group Home
36 Financing Program authorized under this subtitle, and the regular Maryland Housing
37 Rehabilitation Program authorized under § 2-303 of this title;

38 (2) Repayments and prepayments of loans made under such programs, both
39 prior to and after July 1, 1989; and

8

1 (3) Moneys transferred to the Fund in accordance with §§ 2-313(j),
2 2-505(d), 2-613(d), 2-805(d), 2-1006(e), and [2-1307(d) of this title] 4-207(D) OF THIS
3 ARTICLE.

4 2-805.

5 (a) The Program shall be operated with moneys in the Rental Housing Programs
6 Fund, which Fund shall be a continuing, nonlapsing special fund consisting of:

7 (1) Moneys appropriated by the State for rental housing programs, including
8 the Elderly Rental Housing Program authorized by this subtitle, the Rental Housing
9 Production Program authorized by Subtitle 5 of this title, the Nonprofit Rehabilitation
10 Program authorized by § 2-305 of this title, and the Multifamily Maryland Housing
11 Rehabilitation Program as authorized by § 2-303 of this title;

12 (2) Repayments and prepayments of loans made under such programs, both
13 prior to and after July 1, 1989; and

14 (3) Moneys transferred to the Rental Housing Programs Fund in
15 accordance with §§ 2-313(j), 2-613(d), 2-1006(e), 2-708(d), and [2-1307(d) of this title]
16 4-207(D) OF THIS ARTICLE.

17 2-1006.

18 (a) The Program shall be operated with moneys in the Homeownership Programs
19 Fund, which Fund shall be a continuing, nonlapsing fund consisting of:

20 (1) Moneys appropriated by the State for homeownership programs,
21 including the Maryland Home Financing Program authorized by Subtitle 6 of this title
22 and the Settlement Expense Loan Program authorized by this subtitle;

23 (2) Repayments and prepayments of loans made under such programs, both
24 prior to and after July 1, 1989;

25 (3) Moneys transferred to the Fund in accordance with §§ 2-313(j),
26 2-505(d), 2-708(d), 2-805(d), and [2-1307(d) of this title] 4-207(D) OF THIS ARTICLE;
27 and

28 (4) All other moneys referred to in § 2-613(a) of this title which are not
29 otherwise set forth in this subsection.

30 [Subtitle 3.] SUBTITLE 13. Neighborhood Housing Services Fund.

31 [4-301.] 2-1301.

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

33 (b) "Fund" means the Neighborhood Housing Services Fund.

34 (c) "Operating budget" means all those funds necessary for administrative,
35 technical, legal or other expenses of operating a neighborhood housing services
36 corporation, including the expenses incurred by an umbrella corporation in operating
37 neighborhood housing services programs, excluding funds allocated to revolving or other
38 loan funds.

9

1 (d) "Political subdivision" means a county or municipal corporation.

2 (e) "Neighborhood Housing Services Corporation" means a neighborhood
3 housing services corporation established in connection with the National Neighborhood
4 Reinvestment Corporation.

5 (f) "Neighborhood Housing Services Program" means a program which is
6 established and supervised by a neighborhood housing services corporation for the
7 purpose of administering the corporation's goals and services within a specific
8 neighborhood.

9 (g) "Umbrella corporation" means a neighborhood housing services corporation
10 which establishes and supervises 2 or more neighborhood housing services programs.

11 [4-302.] 2-1302.

12 There is a Neighborhood Housing Services Fund administered by the Department.

13 [4-303.] 2-1303.

14 (a) (1) The Department shall make grants to eligible neighborhood housing
15 services corporations pursuant to the terms of subsections (b) and (c) of this section.

16 (2) An umbrella corporation shall also be eligible for a grant for each
17 neighborhood housing services program under its supervision.

18 (b) (1) Each eligible neighborhood housing services corporation may apply for a
19 grant in an amount not to exceed one-third of its annual operating budget or \$50,000,
20 whichever is less.

21 (2) Each umbrella corporation may apply for a grant for each of its
22 neighborhood housing services programs in an amount not to exceed one-third of the
23 neighborhood housing services program's annual operating budget or \$50,000, whichever
24 is less.

25 (c) If in any fiscal year the total amount of grant applications received by the
26 Department exceeds the total amount of the Fund, the Secretary shall reduce each
27 eligible applicant's grant on a pro rata basis in order not to exceed the total dollar amount
28 of the Fund appropriated for that fiscal year.

29 [4-304.] 2-1304.

30 A neighborhood housing services corporation or umbrella corporation shall be
31 eligible for a grant upon meeting all of the following requirements:

32 (1) Timely submission of an application in the form prescribed by the
33 Secretary, which application shall include:

34 (i) A description of the geographic boundaries served by the
35 Neighborhood Housing Services Corporation or Neighborhood Housing Services
36 Program;

37 (ii) Certification that the applicant is currently registered with the
38 Neighborhood Reinvestment Corporation;

10

1 (iii) Certification of incorporation under the laws of the State;

2 (iv) Certification of receipt of a current ruling from the Internal
3 Revenue Service of the United States Department of the Treasury that the applicant is an
4 organization which is exempt from federal income taxation;

5 (v) Certification that the remaining two-thirds portion of the
6 applicant's annual operating budget has been provided exclusively from political
7 subdivisions or private sources; and

8 (vi) Other requirements as may be required by the Secretary;

9 (2) Creation of a Board of Directors composed of a member of the General
10 Assembly, neighborhood residents, representatives of local financial institutions and
11 where not inconsistent with local law, representatives of local political subdivisions;

12 (3) Authorization to establish and administer a revolving loan fund to make
13 loans at flexible rates and terms to neighborhood homeowners who are unable to obtain
14 mortgage financing on reasonable terms through normal lending channels for the
15 purposes of preserving or revitalizing neighborhoods and to encourage homeownership;
16 and

17 (4) Authorization to administer and to establish, in cooperation with
18 appropriate officials of the political subdivision, a housing program to bring
19 neighborhood dwellings to acceptable levels of health and safety.

20 [4-305.] 2-1305.

21 The Secretary, or the Secretary's designee, shall be an ex officio and voting member
22 of the board of directors of each neighborhood housing services corporation receiving
23 grant funds from the Department.

24 [4-306.] 2-1306.

25 The Department may adopt regulations necessary for the implementation of this
26 subtitle.

27 Title 3. Division of [Housing] Credit Assurance.

28 3-101.

29 (a) There is a Division of [Housing] Credit Assurance, as an organizational unit
30 within the Department of Housing and Community Development.

31 (b) The Division includes:

32 (1) [the] THE Maryland Housing Fund, an agency of the Department;

33 (2) LOAN ASSET MANAGEMENT FOR THE DEPARTMENT; AND

34 (3) THE ADMINISTRATION OF STATEWIDE BUILDING AND MATERIAL
35 CODES ESTABLISHED UNDER TITLE 6 OF THIS ARTICLE.

11

1 TITLE 4. [Division of Community Assistance] DIVISION OF NEIGHBORHOOD
2 REVITALIZATION.

3 4-101.

4 (A) THERE IS A DIVISION OF NEIGHBORHOOD REVITALIZATION AS AN
5 ORGANIZATIONAL UNIT WITHIN THE DEPARTMENT OF HOUSING AND COMMUNITY
6 DEVELOPMENT.

7 (B) THE DIVISION OF NEIGHBORHOOD REVITALIZATION INCLUDES THE
8 NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM.

9 (C) THE DIVISION OF NEIGHBORHOOD REVITALIZATION SHALL:

10 (1) ADMINISTER COMMERCIAL AND MIXED-USE REVITALIZATION
11 PROGRAMS ENCOURAGING PHYSICAL AND ORGANIZATIONAL IMPROVEMENTS TO
12 BUSINESS AREAS; AND

13 (2) ADMINISTER STATE AND FEDERAL GRANT AND LOAN FUNDS AND
14 OTHER FINANCIAL ASSISTANCE TO ANY MUNICIPAL CORPORATION, COUNTY,
15 LOCAL PUBLIC AGENCY, NONPROFIT ORGANIZATION, COMMUNITY REINVESTMENT
16 CORPORATION, NEIGHBORHOOD OR COMMUNITY ORGANIZATION, OR PRIVATE
17 PARTY IN ORDER TO CARRY OUT COMMERCIAL AND MIXED-USE REVITALIZATION
18 AND REHABILITATION PROGRAMS.

19 (D) (1) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) "COMMERCIAL AND MIXED-USE REVITALIZATION PROGRAMS"
22 INCLUDE ASSISTANCE IN SUCH AREAS AS MARKET SURVEYING, GRANTSMANSHIP,
23 ORGANIZATION, ECONOMIC DEVELOPMENT, DESIGN, AND OTHER SERVICES FOR
24 DOWNTOWN OR BUSINESS AREA COMMERCIAL MANAGEMENT, PROMOTION, AND
25 REVITALIZATION AND FACILITATING ESTABLISHMENT OF COMMERCIAL DISTRICT
26 MANAGEMENT AUTHORITIES.

27 (3) "COMMUNITY REINVESTMENT CORPORATION" MEANS ANY
28 CORPORATION OR FOUNDATION WHOSE NET EARNINGS ARE REINVESTED IN
29 ACTIVITIES, PROJECTS, OR PROGRAMS FOR THE PURPOSE OF FOSTERING,
30 ENCOURAGING, ASSISTING IN, OR CARRYING OUT COMMUNITY ASSISTANCE
31 ACTIVITIES, PROJECTS, OR PROGRAMS.

32 [Subtitle 13.] SUBTITLE 2. Neighborhood Business Development Program.

33 [2-1301.] 4-201.

34 The Neighborhood Business Development Program is hereby created within the
35 Department, for the following purposes:

36 (1) To assist in the [Development] DEVELOPMENT, redevelopment, or
37 expansion of small business enterprises in designated neighborhoods;

38 (2) To stimulate investment by the private sector in designated
39 neighborhoods;

12

1 (3) To invest in small business revitalization projects in designated
2 neighborhoods; and

3 (4) To stimulate the participation of local jurisdictions in developing and
4 expanding small business enterprises in designated neighborhoods.

5 [2-1302.] 4-202.

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

7 (b) "Designated neighborhood" means a geographically defined area of a local
8 jurisdiction which is designated as an eligible neighborhood in accordance with [§
9 2-1303(b)] § 4-203(B) of this subtitle.

10 (c) "Development costs" means the costs incurred for the construction or
11 rehabilitation of a neighborhood business development project, including the costs of:

12 (1) Necessary studies, surveys, plans, and specifications;

13 (2) Architectural, engineering, or other special services related to
14 construction or rehabilitation, including flood plain studies, environmental audits, and
15 critical area or wetland assessments;

16 (3) Acquisition of land and improvements;

17 (4) Site preparation;

18 (5) Construction, reconstruction, and rehabilitation;

19 (6) Acquisition of machinery, equipment, and furnishings;

20 (7) Essential start-up operating costs, including working capital and initial
21 occupancy expenses;

22 (8) Indemnity and surety bonds and premiums on insurance; and

23 (9) Other necessary fees and temporary relocation expenses.

24 (d) "Fund" means the Neighborhood Business Development Fund.

25 (e) "Local jurisdiction" means a municipal corporation or county.

26 (f) "Nonprofit organization" means a corporation, foundation, or other legal
27 entity that specifies in its charter or bylaws that no part of the net earnings may inure to
28 the benefit of any private shareholder or individual holding any interest in such entity.

29 (g) "Program" means the Neighborhood Business Development Program.

30 (h) "Project" means a neighborhood business development project which receives
31 financial assistance from the Neighborhood Business Development Fund.

32 (i) "Small business" means a business that employs a number of employees no
33 greater than a limit set forth in regulations by the Department which shall not exceed the
34 standards set by the federal Small Business Administration.

13

1 [2-1303.] 4-203.

2 (a) To qualify for financial assistance under the Program, a neighborhood
3 business development project must be located in a designated neighborhood.

4 (b) Local jurisdictions may designate one or more eligible neighborhoods with the
5 concurrence of the Secretary of the Department, taking into consideration the following
6 factors:

7 (1) The availability, cost, and condition of business facilities;

8 (2) The age and number of abandoned structures;

9 (3) The age and number of substandard structures;

10 (4) The income of residents relative to State or regional median incomes,
11 including the number of persons who are welfare recipients or unemployed;

12 (5) The extent of unemployment and the availability in the area of jobs for
13 residents of the designated neighborhood;

14 (6) The need for financing for small businesses in order to upgrade the
15 social and economic conditions of the designated neighborhood;

16 (7) The neighborhood development or redevelopment strategy of the local
17 jurisdiction for the designated neighborhood and any plans and financial commitment of
18 the local jurisdiction to undertake improvements in the designated neighborhood; and

19 (8) Other standards and criteria deemed relevant by the Department as set
20 forth in regulations, including standards established for other relevant State or federal
21 programs.

22 [2-1304.] 4-204.

23 (a) Financial assistance under the Program may be provided to a small business in
24 any of the following forms:

25 (1) Grant;

26 (2) Loan;

27 (3) Reduction in the principal obligation of or rate of interest payable on a
28 loan or portion of a loan;

29 (4) Prepayment of interest on a subordinate or superior loan or portion of a
30 loan;

31 (5) Assurance;

32 (6) Guarantee; or

33 (7) Any other form of credit enhancement.

34 (b) The Department shall review all applications for financial assistance.

14

1 (c) Applications shall be submitted by an applicant which may be a for profit or
2 nonprofit small business.

3 (d) To qualify for financial assistance, the application must demonstrate that:

4 (1) The project has significant commitments for funding from other private
5 and nonstate public sources that are sufficient to complete the project with the funds
6 from the Neighborhood Business Development Program;

7 (2) The financial assistance from the Neighborhood Business Development
8 Fund is the least amount necessary to make the project financially feasible;

9 (3) The project is ready to proceed upon funding of financial assistance
10 from the Program; and

11 (4) The local jurisdiction adopted a local resolution expressing support for
12 the project.

13 [2-1305.] 4-205.

14 The Department shall:

15 (1) Manage, supervise, and administer the Program;

16 (2) Adopt rules and regulations to carry out the Program in conformance
17 with statutory requirements; and

18 (3) For each category of financing described under [§ 2-1304(a)] § 4-204(A)
19 of this subtitle, establish minimum percentages or amounts of private and non-state
20 public funding that the applicant is required to secure before the Department may
21 determine that the applicant is qualified for the Program.

22 [2-1306.] 4-206.

23 (a) Financial assistance may be used to finance a portion of the development costs
24 of a neighborhood business development project.

25 (b) The financial assistance shall be on such terms as the Department deems
26 necessary to make the enterprise financially feasible.

27 (c) Financial assistance under the Neighborhood Business Development Program
28 may be secured, at the discretion of the Department, by a mortgage lien or other security
29 instrument, which may be subordinate to other security interests.

30 (d) The Department may:

31 (1) Modify the rate of interest, the time or amount of payment, or any other
32 term of a grant or loan in order to facilitate the successful completion or operation of a
33 project; and

34 (2) Contract for services relating to the Program.

15

1 [2-1307.] 4-207.

2 (a) The Program shall be operated with moneys in the Neighborhood Business
3 Development Fund, which Fund shall be a continuing, nonlapsing special fund consisting
4 of:

5 (1) Moneys appropriated by the State for the Neighborhood Business
6 Development Program;

7 (2) Any repayment or prepayment of financial assistance [made from the
8 Fund established under] LOANED UNDER THE FORMER Subtitle 6, Title 4 of this
9 article; and

10 (3) Moneys transferred to the Fund from any other fund as provided for in
11 this [title] ARTICLE.

12 (b) The Department shall use the Fund to provide financial assistance to small
13 businesses and to pay expenses of the Program.

14 (c) The State Treasurer shall hold and the State Comptroller shall account for the
15 Neighborhood Business Development Fund. The Fund shall be invested and reinvested.
16 Any investment earnings shall be paid into the Fund.

17 (d) At any time following the first 8 months of any fiscal year, the Department
18 may transfer, subject to approval of the Legislative Policy Committee and subject to the
19 provisions of § 7-209 of the State Finance and Procurement Article, unencumbered
20 moneys in the Neighborhood Business Development Fund to any other fund established
21 under [this title] TITLE 2 OF THIS ARTICLE.

22 [2-1308.] 4-208.

23 (a) A person may not knowingly make or cause any false statement or report to be
24 made in any document required to be furnished to the Department by any agreement
25 relating to a loan.

26 (b) A person applying for financial assistance may not knowingly make or cause
27 any false statement or report to be made for the purpose of influencing the action of the
28 Department on an application or for the purpose of influencing any action of the
29 Department affecting financial assistance already provided.

30 (c) Any person who violates any provision of subsection (a) or (b) of this section
31 is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$50,000 or
32 imprisonment not exceeding 5 years or both.

33 [Subtitle 4.] TITLE 12. Community Action Agencies.

34 [4-401.] 12-101.

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

36 (1) "Community action agency" means:

37 (i) A governmental unit in a political subdivision of the State;

16

1 (ii) A governmental unit created by a combination of political
2 subdivisions;

3 (iii) An agency designated as a community action agency under
4 relevant provisions of the Economic Opportunity Act of 1964 as amended by the
5 Community Services Block Grant Program; or

6 (iv) A private, nonprofit community organization that meets the
7 requirements for designation as a community action agency.

8 (2) "Designation" means the selection of a proposed community action
9 agency by the governing body of a political subdivision.

10 (3) "Governing body" means the county council, board of commissioners, or
11 other legislative body of a political subdivision that collectively possesses the power to
12 adopt and carry out local laws and ordinances; in Baltimore City "governing body" means
13 the Board of Estimates.

14 (4) "Poverty level population" means the number of people whose
15 household income level is below the poverty line set by the Office of Management and
16 Budget.

17 (5) "Local initiative" means the amount of federal funds received by a
18 community action agency for conduct, administration, and general community
19 programming.

20 (b) (1) The General Assembly of Maryland recognizes that the economic and
21 social well-being of the citizens of the State is intrinsic to the strength and viability of the
22 State as a whole.

23 (2) It is the purpose of this section to strengthen, supplement and
24 coordinate efforts to combat the causes and problems of poverty in Maryland by:

25 (i) Mobilizing resources of both the private and public sectors of the
26 economy in order to increase opportunities for poor and low income citizens to develop
27 their skills, knowledge, and capabilities;

28 (ii) Developing the full potential of poor and low income citizens so
29 that each person can live in decency and dignity and achieve individual and family
30 self-sufficiency; and

31 (iii) Promoting the development, evaluation, and use of new and
32 innovative approaches to attack the origins and issues of poverty.

33 (c) This section is intended to strengthen the ability of communities to plan and
34 coordinate available local, federal, State, and private resources, by making this assistance
35 more responsive to local needs and conditions.

36 (d) (1) The governing body with jurisdiction over the community to be served by
37 the proposed community action agency may make, change, or revoke a designation:

38 (i) By act, ordinance, or resolution; or

17

1 (ii) By order of the chief executive of the governing body if the chief
2 legal officer certifies in writing that the chief executive possesses the power to make the
3 designation on behalf of the governing body.

4 (2) (i) The governing body shall conduct a public hearing before it makes,
5 changes, or revokes a designation.

6 (ii) A transition or close down plan shall accompany the notification to
7 the public of a proposed change in or revocation of a designation.

8 (iii) A change in or revocation of a designation shall take effect at the
9 start of the State fiscal year.

10 (e) (1) A community action agency shall administer its programs through a
11 community action board consisting of at least 15 members, structured so that:

12 (i) One-third of the members of the board are elected public officials
13 currently holding office, or their representatives;

14 (ii) At least one-third of the members are persons chosen by a
15 democratic selection method designed to assure that they are representative of the poor
16 in the area served;

17 (iii) The other members are officials or members of business, industry,
18 labor, religious, welfare, education, or other major groups and interests in the community;

19 (iv) Each member of the board selected to represent a specific
20 geographic area in a community resides in the area represented; and

21 (v) A person selected under subparagraph (ii) or (iii) may not serve
22 for more than 5 consecutive years or for more than a total of 10 years.

23 (2) (i) If a community action agency delegates responsibility for policy
24 determinations to a subsidiary board, council, or similar agency, that board, council, or
25 agency shall be broadly representative of the area.

26 (ii) Policy determinations may include the character, funding, extent,
27 and administration of, and budgeting for programs or projects affecting a particular
28 geographic area in a community.

29 (iii) If the community action agency is a governmental unit, the board
30 of directors may serve as an advisory body to the governmental unit and with the approval
31 of the governing body the governmental unit may delegate any or all of its powers and
32 responsibilities to the advisory body.

33 (f) (1) The Secretary may provide financial assistance to designated community
34 action agencies based upon distribution criteria set forth by the Secretary in regulations.

35 (2) The distribution criteria shall include the percentage of persons in
36 poverty, based on the most current census population data and may include specific
37 problems in rural communities, minimum funding necessary to maintain program
38 operations, and the potential for additional local and private funding.

18

1 (3) The regulations shall assure that, with respect to the allocation of
2 federal funds, each designated community action agency receives federal funds at a level
3 at least equal to that received by the agency in federal Fiscal Year 1994 unless the federal
4 funding is reduced.

5 (4) The regulations shall allocate federal funds remaining after the
6 allocations under paragraph (3) of this subsection only to those community action
7 agencies which received a lesser share of program federal funds in federal Fiscal Year
8 1994 than they would have received based on the number of persons in poverty in the
9 local jurisdiction as a percentage of the total population of persons in poverty in the
10 State.

11 (g) In addition to the powers set forth elsewhere in this section, a community
12 action agency may:

13 (1) Receive and administer:

14 (i) Financial assistance received under this section;

15 (ii) Funds and contributions received from private or local public
16 sources for community action programs; and

17 (iii) Funds received from State or federal assistance programs under
18 which a public or private nonprofit agency may act as a grantee, contractor, or sponsor of
19 projects suitable for community action programs;

20 (2) Receive and administer federal funds from federal block grants
21 previously designated as anti-poverty funds, subject to applicable federal law or
22 regulation; and

23 (3) Transfer funds and delegate responsibility to a subsidiary board, council,
24 or similar agency for projects designed to further program objectives.

25 (h) In addition to the duties set forth elsewhere in this section, a community
26 action agency shall:

27 (1) Plan systematically for an effective community action program,
28 including:

29 (i) An evaluation of information on the causes and problems of
30 poverty in the target community;

31 (ii) An assessment of the use and impact of current financial
32 assistance; and

33 (iii) The establishment of priorities between projects, activities, and
34 target areas in order to achieve the best and most efficient use of resources.

35 (2) (i) Encourage subsidiary boards, councils, or agencies engaged in
36 community action program related projects to plan for, secure, and administer available
37 financial assistance on a cooperative basis;

38 (ii) Provide technical and organizational assistance to the subsidiary
39 boards, councils, or agencies; and

19

1 (iii) Take affirmative action to supplement local efforts to combat
2 poverty by:

- 3 1. Focusing resources towards the most needy;
- 4 2. Providing employment opportunities for low income persons;
- 5 3. Closing service gaps; and
- 6 4. Enabling low income persons to participate in community
7 action programs and projects.

8 (3) Initiate and sponsor community projects responsive to the needs of the
9 poor, with particular emphasis on:

- 10 (i) The establishment of a pool of resources to serve a variety of
11 community action programs;
- 12 (ii) The development of versatile approaches and services;and
- 13 (iii) The implementation of stopgap measures pending the expansion
14 or modification of community action programs.

15 (4) (i) Establish procedures by which community residents may:

- 16 1. Influence the character of their community action programs;
17 and
- 18 2. Participate regularly in the implementation of these
19 programs.

20 (ii) Provide the necessary technical and advisory support to enable the
21 poor and neighborhood groups to secure public and private financial assistance on their
22 own behalf.

23 (5) Join with and encourage business, labor, and other private or public
24 officials and organizations to undertake activities in support of community action
25 programs resulting in:

- 26 (i) The additional use of private resources and capabilities to develop
27 new employment opportunities;
- 28 (ii) The stimulation of investments having a measurable impact on the
29 reduction of poverty among residents of areas of concentrated poverty; and
- 30 (iii) Providing methods by which residents of those areas can work with
31 private organizations, firms, and institutions in seeking solutions to problems of common
32 concern.

33 (i) The Secretary shall adopt regulations to carry out the purposes of the
34 community services program.

20

1 [Subtitle 5.] TITLE 13. Maryland State Appalachian Housing Fund.

2 [4-501.] 13-101.

3 The Maryland State Appalachian Housing Fund is created as a nonlapsing,
4 revolving special fund into which shall be placed:

5 (1) Receipts of the Department from the Appalachian Regional
6 Commission;

7 (2) Income from investments that the State Treasurer makes [pursuant to §
8 4-503 of this subtitle] UNDER § 13-103 OF THIS TITLE; and

9 (3) Any repayments of principal or interest on loans or site development
10 advances made by the Department under this [subtitle] TITLE.

11 [4-502.] 13-102.

12 The Maryland State Appalachian Housing Fund shall be expended by the
13 Department to fulfill its obligations under any contract or agreement with the
14 Appalachian Regional Commission.

15 [4-503.] 13-103.

16 The State Treasurer shall invest the Maryland State Appalachian Housing Fund in
17 the manner provided by law with all interest earned or gains realized from such
18 investments to be credited to the Maryland State Appalachian Housing Fund.

19 5-614.1.

20 (a) [(1)] In this section [the following words have the meanings indicated.

21 (2) "Commission" means the Commission to Save the Lighthouses, which is
22 established under Article 41, § 18-301 of the Code.

23 (3) "Fund" means the Lighthouse Preservation Special Fund.

24 (b) There is a Lighthouse Preservation Special Fund in the Department.

25 (c) (1) The Lighthouse Preservation Special Fund is a continuing, nonlapsing,
26 revolving fund to be maintained by the State Treasurer. The State Treasurer shall hold
27 and the State Comptroller shall account for the Fund.

28 (2) The Fund shall be invested and reinvested. Any interest or other
29 investment earnings of the Fund shall be credited and paid into the Fund.

30 (3) If cash is received as consideration for the disposition of a capital asset
31 purchased with funds from this special fund, that cash shall be applied to the special fund
32 as provided by § 10-306(c)(2) of the State Finance and Procurement Article.

33 (4) No part of the Lighthouse Preservation Special Fund may revert or be
34 credited to the General Fund or any other special fund of the State.

35 (d) The Maryland Historical Trust may:

21

1 (1) Apply for and accept any fund or grant from any federal, State, local, or
2 private source for credit to the Fund that might assist with the preservation of lighthouses
3 in the State that are publicly owned or not for profit; and

4 (2) Contract for and sell by any method any item that relates to lighthouse
5 preservation, the proceeds from which shall be credited to the Fund.

6 (e) (1) [On recommendation of the Commission,] WITH THE ADVICE OF A
7 LIGHTHOUSE PRESERVATION ADVISOR APPOINTED BY THE SECRETARY TO SERVE
8 WITHOUT COMPENSATION, the Trust may use money in the Fund [to];

9 (i) [Preserve] TO PRESERVE any lighthouse in the State that is
10 publicly owned or not for profit; [and]

11 (ii) FOR MARYLAND LIGHTHOUSE PRESERVATION, EDUCATION,
12 AND PROMOTION; AND

13 (III) [Compensate] TO COMPENSATE staff employed by the
14 [Commission under Article 41, § 18-301(d)(2) of the Code] TRUST TO ADMINISTER
15 THE FUND.

16 (2) The Trust may not use any money in the Fund for any other purpose of
17 the Trust.

18 (F) ON OR BEFORE JANUARY 30 OF EACH YEAR, THE MARYLAND HISTORICAL
19 TRUST SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1312 OF THE STATE
20 GOVERNMENT ARTICLE, TO THE BUDGET COMMITTEES OF THE GENERAL
21 ASSEMBLY ON THE FINANCIAL STATUS OF THE FUND DURING THE PRECEDING
22 FISCAL YEAR.

23 **Article 41 - Governor - Executive and Administrative Departments**

24 [18-301.

25 (a) There is a Commission to Save the Lighthouses.

26 (b) (1) The Commission is composed of:

27 (i) 2 members of the House of Delegates, appointed by the Speaker;

28 (ii) 2 members of the Senate, appointed by the President; and

29 (iii) 12 members appointed by the Governor, as follows:

30 1. The Secretary of Natural Resources, or the Secretary's
31 designee;

32 2. 2 members representing the Maryland Association of
33 Counties;

34 3. The Director of the Maryland Historical Trust;

35 4. 2 members representing the Maryland Congressional
36 Delegation;

22

1 5. 1 member representing the Maryland Municipal League;

2 6. 2 members representing the Maryland Watermen's
3 Association;

4 7. 1 member representing the Association of Maryland Pilots;
5 and

6 8. 2 members of the general public.

7 (2) A member of the United States Coast Guard may serve as a technical
8 advisor to the Commission.

9 (c) The members of the Commission shall select a Chairman from among
10 themselves.

11 (d) (1) Staff shall be provided by the Maryland Historical Trust.

12 (2) In addition to the staff provided under paragraph (1) of this subsection,
13 the Commission may employ staff in accordance with the State budget and as approved by
14 the Chairman.

15 (e) The Commission shall:

16 (1) Develop an inventory of the location and condition of lighthouses in the
17 State;

18 (2) Determine the kind of lighthouses to be saved;

19 (3) Designate specific lighthouses to be saved;

20 (4) Determine, where necessary, new sites for lighthouses;

21 (5) Recommend, where appropriate, replacement of site markers with
22 scenic structures;

23 (6) Conduct a feasibility study on the cost to save the lighthouses;

24 (7) Investigate sources of and receive assistance for lighthouse preservation
25 and restoration, including financial assistance and donations to be credited and paid into
26 the Lighthouse Preservation Special Fund under Article 83B, § 5-614.1 of the Code;

27 (8) Promote a cooperative dialogue with other jurisdictions toward the
28 preservation and restoration of lighthouses along the Atlantic Seaboard;

29 (9) Review applications and proposals from any source for preservation and
30 restoration of any lighthouse in the State that is publicly owned or not for profit; and

31 (10) Recommend projects concerning preservation and restoration of specific
32 lighthouses in the State that are publicly owned or not for profit for final consideration by
33 the Maryland Historical Trust.

34 (f) The Commission shall report its findings and recommendations to the
35 Governor and, consistent with § 2-1312 of the State Government Article, to the General
36 Assembly by July 1, 1996.

1 (g) Once the Commission issues its report, it continues to exist.]

2 SECTION 4. AND BE IT FURTHER ENACTED, That, except as expressly
3 provided to the contrary in this Act, any transaction affected by or flowing from any
4 statute here amended, repealed, or transferred, and validly entered into before the
5 effective date of this Act and every right, duty, or interest following from it remains valid
6 after the effective date of this Act and may be terminated, completed, consummated, or
7 enforced pursuant to law.

8 SECTION 5. AND BE IT FURTHER ENACTED, That, except as otherwise
9 provided in this Act, all regulations, proposed regulations, standards and guidelines,
10 proposed standards and guidelines, orders and other directives, forms, plans,
11 memberships, special funds, appropriations, grants, loans, applications and commitments
12 for grants and loans, contracts, properties, investigations, administrative and judicial
13 proceedings, rights to sue and be sued, and all other duties and responsibilities associated
14 with these functions that are in existence on the effective date of this Act shall continue
15 in effect until completed, withdrawn, canceled, modified, or otherwise changed pursuant
16 to law.

17 ~~SECTION 6. AND BE IT FURTHER ENACTED, That any funds remaining in~~
18 ~~the Lighthouse Preservation Special Fund as of July 1, 1996 shall be transferred to the~~
19 ~~MHT Grant Fund established under Article 83B, § 5-613 of the Code.~~

20 SECTION 7. 6. AND BE IT FURTHER ENACTED, That if any provision of this
21 Act or the application thereof to any person or circumstance is held invalid for any reason
22 in a court of competent jurisdiction, the invalidity does not affect other provisions or any
23 other application of this Act which can be given effect without the invalid provision or
24 application, and for this purpose the provisions of this Act are declared severable.

25 SECTION 8. 7. AND BE IT FURTHER ENACTED, That this Act shall take
26 effect July 1, 1996.