
By: **Senator Ruben**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development - Assistance to Local Governments**

3 FOR the purpose of authorizing the Secretary of Business and Economic Development
4 to transfer funds from certain accounts within the Department of Business and
5 Economic Development or under the control of the Department to a certain local
6 economic development fund established by a local government for certain
7 purposes; requiring, as a condition to the transfer of certain funds by the
8 Secretary, a certain local government to make a certain equal and matching
9 appropriation; requiring the Secretary to make a certain transfer in accordance
10 with a certain appropriation amendment process; defining certain terms; and
11 generally relating to economic development assistance to local governments.

12 BY repealing and reenacting, without amendments,
13 Article 83A - Department of Business and Economic Development
14 Section 1-101(a), (b), and (d), 5-103, and 5-104
15 Annotated Code of Maryland
16 (1995 Replacement Volume and 1997 Supplement)

17 BY adding to
18 Article 83A - Department of Business and Economic Development
19 Section 5-105
20 Annotated Code of Maryland
21 (1995 Replacement Volume and 1997 Supplement)

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

24 **Article 83A - Department of Business and Economic Development**

25 1-101.

26 (a) In this article the following words have the meanings indicated.

27 (b) "Department" means the Department of Business and Economic
28 Development.

1 (d) "Secretary" means the Secretary of Business and Economic Development.

2 5-103.

3 (a) Notwithstanding any other provision of law except for §§ 5-715 and 5-802
4 of this article, the Secretary may transfer funds among any of the various accounts
5 within the Department or subject to its control, that are used to provide financial
6 support of any kind.

7 (b) Notwithstanding any other provision of law except for §§ 5-715 and 5-802
8 of this article, the Secretary may transfer funds from any of the accounts described in
9 subsection (a) of this section to the Economic Development Opportunities Program
10 Fund established under § 7-314 of the State Finance and Procurement Article.

11 (c) Where applicable, transfers under this section must comply with the
12 provisions of §§ 5-930(g) and 5-932(h) of this article.

13 (d) The Secretary shall accomplish any transfer under this section in
14 accordance with the appropriation amendment process under § 7-209 of the State
15 Finance and Procurement Article.

16 5-104.

17 (a) The Secretary is authorized to invest in one or more specialized small
18 business investment companies created pursuant to the federal Small Business
19 Investment Act of 1958.

20 (b) The Secretary is authorized to do all things necessary or convenient in
21 order to participate fully in the formation and operation of specialized small business
22 investment companies, to the extent permitted by federal law.

23 (c) Notwithstanding any other provision of law, the Secretary may use funds
24 from the following accounts within the Department to finance specialized small
25 business investment companies:

26 (1) The Maryland Small Business Development Financing Authority
27 created pursuant to Subtitle 10 of this title; and

28 (2) The Enterprise Fund created pursuant to Subtitle 5 of this title.

29 5-105.

30 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
31 INDICATED.

32 (2) "LOCAL ECONOMIC DEVELOPMENT FUND" MEANS A REVOLVING,
33 NONLAPSING FUND THAT A LOCAL GOVERNMENT ESTABLISHES FOR PURPOSES OF
34 ECONOMIC DEVELOPMENT WITHIN THAT LOCAL JURISDICTION.

35 (3) "LOCAL GOVERNMENT" INCLUDES:

1 (I) A COUNTY OR MUNICIPAL CORPORATION AND ITS DESIGNATED
2 AGENCY INSTRUMENTALITY; OR

3 (II) A MULTIJURISDICTIONAL REGIONAL ENTITY.

4 (4) "STATE ECONOMIC DEVELOPMENT FUND" MEANS AN ACCOUNT IN
5 THE DEPARTMENT, OR SUBJECT TO THE CONTROL OF THE DEPARTMENT, THAT IS
6 USED TO PROVIDE FINANCIAL SUPPORT OF ANY KIND.

7 (B) NOTWITHSTANDING ANY OTHER LAW EXCEPT FOR §§ 5-715 AND 5-802 OF
8 THIS TITLE, THE SECRETARY MAY TRANSFER FUNDS FROM A STATE ECONOMIC
9 DEVELOPMENT FUND TO A LOCAL ECONOMIC DEVELOPMENT FUND IF THE LOCAL
10 GOVERNMENT THAT ESTABLISHES THE LOCAL ECONOMIC DEVELOPMENT FUND
11 PROVIDES AN EQUAL AND MATCHING APPROPRIATION.

12 (C) THE SECRETARY SHALL MAKE A TRANSFER UNDER THIS SECTION IN
13 ACCORDANCE WITH THE APPROPRIATION AMENDMENT PROCESS UNDER § 7-209 OF
14 THE STATE FINANCE AND PROCUREMENT ARTICLE.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 1998.