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1999 Regular Session  
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(PRE-FILED)

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By: **Delegates Taylor, Hixson, Arnick, Busch, Dewberry, Doory, Guns,  
Harrison, Howard, Hurson, Kopp, Menes, Montague, Owings, Rawlings,  
Rosenberg, Vallario, and Wood**

Requested: November 20, 1998

Introduced and read first time: January 13, 1999

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **One Maryland Economic Development Program for Distressed Counties**

3 FOR the purpose of establishing a Smart Growth Economic Development  
4 Infrastructure Fund within the Department of Business and Economic  
5 Development, to be used for making certain loans to certain qualified  
6 economically distressed counties for the purposes of financing certain economic  
7 development projects; and generally relating to establishment of a Smart  
8 Growth Economic Development Infrastructure Fund to encourage capital  
9 investment and job creation in certain qualified economically distressed  
10 counties.

11 BY repealing and reenacting, with amendments,  
12 Article 83A - Department of Business and Economic Development  
13 Section 5-103(a) and (b) and 5-715  
14 Annotated Code of Maryland  
15 (1998 Replacement Volume)

16 BY adding to  
17 Article 83A - Department of Business and Economic Development  
18 Section 5-719  
19 Annotated Code of Maryland  
20 (1998 Replacement Volume)

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

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

2 5-103.

3 (a) Notwithstanding any other provision of law except for §§ [5-715] 5-715,  
4 5-719, and 5-802 of this article, the Secretary may transfer funds among any of the  
5 various accounts within the Department or subject to its control, that are used to  
6 provide financial support of any kind.

7 (b) Notwithstanding any other provision of law except for §§ [5-715] 5-715,  
8 5-719, and 5-802 of this article, the Secretary may transfer funds from any of the  
9 accounts described in subsection (a) of this section to the Economic Development  
10 Opportunities Program Fund established under § 7-314 of the State Finance and  
11 Procurement Article.

12 5-715.

13 (a) [Any] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ANY  
14 investment earnings of the Fund, and any moneys received in payment of interest and  
15 repayment of principal under loan agreements provided for in this subtitle shall be  
16 deposited in the treasury and shall constitute a permanent special fund to be known  
17 as the "Industrial Land Fund". The moneys in the Industrial Land Fund from time to  
18 time may be expended (1) for the same purposes as the proceeds of the loan  
19 authorized by this subtitle, and (2) to pay any and all expenses in connection with the  
20 administration of this subtitle including, by way of example, expenses for  
21 administration, legal, actuarial, and other services, and such moneys shall be used for  
22 no other purpose.

23 (b) (1) Except to the Industrial and Commercial Redevelopment Fund, the  
24 Secretary may not transfer funds from the Fund to any of the various accounts within  
25 the Department or subject to its control.

26 (2) The Secretary shall accomplish any transfer under this section in  
27 accordance with the appropriation amendment process under § 7-209 of the State  
28 Finance and Procurement Article.

29 (C) ANY MONEYS RECEIVED IN PAYMENT OF INTEREST AND REPAYMENT OF  
30 PRINCIPAL FOR LOANS PROVIDED UNDER THE SMART GROWTH ECONOMIC  
31 DEVELOPMENT INFRASTRUCTURE FUND ESTABLISHED UNDER § 5-719 OF THIS  
32 SUBTITLE SHALL BE CREDITED TO THE SMART GROWTH ECONOMIC DEVELOPMENT  
33 INFRASTRUCTURE FUND.

34 5-719.

35 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
36 INDICATED.

37 (2) "FUND" MEANS THE SMART GROWTH ECONOMIC DEVELOPMENT  
38 INFRASTRUCTURE FUND ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.

1 (3) "QUALIFIED DISTRESSED COUNTY" MEANS A COUNTY, INCLUDING  
2 BALTIMORE CITY:

3 (I) THAT HAS DEVELOPED AND SUBMITTED TO THE SECRETARY A  
4 LOCAL STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT THAT HAS BEEN APPROVED  
5 BY THE SECRETARY; AND

6 (II) FOR WHICH THE AVERAGE RATE OF UNEMPLOYMENT FOR THE  
7 MOST RECENT 18-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE IS GREATER  
8 THAN 150% OF THE AVERAGE RATE OF UNEMPLOYMENT FOR THE ENTIRE STATE  
9 DURING THAT SAME PERIOD.

10 (B) (1) THERE IS A SMART GROWTH ECONOMIC DEVELOPMENT  
11 INFRASTRUCTURE FUND.

12 (2) THE FUND CONSISTS OF:

13 (I) APPROPRIATIONS TO THE FUND;

14 (II) ANY INVESTMENT EARNINGS OF THE FUND;

15 (III) MONEYS RECEIVED IN PAYMENT OF INTEREST AND  
16 REPAYMENT OF PRINCIPAL FOR LOANS PROVIDED FROM THE FUND; AND

17 (IV) MONEYS MADE AVAILABLE TO THE FUND FROM ANY OTHER  
18 SOURCE.

19 (3) THE FUND SHALL BE ADMINISTERED BY THE SECRETARY AND  
20 SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF MAKING LOANS TO  
21 QUALIFYING DISTRESSED COUNTIES UNDER THIS SECTION.

22 (4) THE SECRETARY MAY NOT TRANSFER FUNDS FROM THE FUND TO  
23 ANY OF THE VARIOUS ACCOUNTS WITHIN THE DEPARTMENT OR SUBJECT TO ITS  
24 CONTROL.

25 (C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE  
26 SECRETARY MAY APPROVE LOANS FROM THE FUND TO QUALIFYING DISTRESSED  
27 COUNTIES FOR THE PURPOSES OF FINANCING THE COSTS OF ACQUISITION,  
28 IMPROVEMENTS, AND REHABILITATION OF LAND FOR INDUSTRIAL SITES AND  
29 PARKS, DEVELOPMENT OF WATER AND SEWER LINES, SHELL BUILDINGS, AND  
30 OTHER NEEDED INFRASTRUCTURE PROJECTS, AS SET FORTH IN §§ 5-704 THROUGH  
31 5-709 OF THIS SUBTITLE.

32 (2) (I) A LOAN UNDER THIS SECTION MAY BE MADE ONLY FOR A  
33 PROJECT THAT IS LOCATED WITHIN A PRIORITY FUNDING AREA UNDER TITLE 5,  
34 SUBTITLE 7B OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

35 (II) THE EXCEPTIONS UNDER §§ 5-7B-05 AND 5-7B-06 OF THE STATE  
36 FINANCE AND PROCUREMENT ARTICLE ALLOWING FUNDING OUTSIDE OF PRIORITY

1 FUNDING AREAS UNDER CERTAIN CIRCUMSTANCES DO NOT APPLY TO LOANS UNDER  
2 THIS SECTION.

3 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A LOAN  
4 UNDER THIS SECTION IS SUBJECT TO THE APPLICABLE REQUIREMENTS, TERMS, AND  
5 CONDITIONS OF LOANS UNDER §§ 5-704 THROUGH 5-709 OF THIS SUBTITLE.

6 (4) (I) IN ADDITION TO ANY OTHER REQUIREMENTS FOR AN  
7 APPLICATION FOR A LOAN UNDER THIS SUBTITLE, AN APPLICATION FOR A LOAN  
8 UNDER THIS SECTION SHALL INCLUDE, FOR EACH PROJECT:

9 1. A MARKETING PLAN DESIGNED TO MARKET THE PROJECT  
10 TO PROSPECTIVE BUSINESSES AND A STATEMENT OF PLANNED MARKETING  
11 EXPENDITURES AS A PERCENT OF THE TOTAL LOAN AMOUNT REQUESTED; AND

12 2. A SITE PLAN FOR THE PROJECT THAT IS CONSISTENT  
13 WITH THE COUNTY'S LOCAL STRATEGIC ECONOMIC DEVELOPMENT PLAN AS TO THE  
14 LOCATION AND TYPE OF PROJECT.

15 (II) THE SECRETARY MAY NOT APPROVE A LOAN FOR A PROJECT  
16 UNDER THIS SECTION UNLESS THE SECRETARY APPROVES THE MARKETING PLAN  
17 AND SITE PLAN FOR THE PROJECT SUBMITTED WITH THE APPLICATION.

18 (5) (I) EACH LOAN AGREEMENT UNDER THIS SECTION SHALL  
19 INCLUDE A PROVISION FOR REPAYMENT OF PRINCIPAL TO BEGIN ONLY AFTER THE  
20 PROJECT IS INITIALLY OCCUPIED.

21 (II) THE SECRETARY MAY INCLUDE IN A LOAN AGREEMENT UNDER  
22 THIS SECTION A PROVISION FOR PAYMENT OF INTEREST TO BEGIN ONLY AFTER THE  
23 PROJECT IS INITIALLY OCCUPIED.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 July 1, 1999.