
By: **Senators Hafer, Stoltzfus, Colburn, and Sfikas**
Introduced and read first time: February 5, 1999
Assigned to: Budget and Taxation

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:

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

24 5-103.

25 (a) Notwithstanding any other provision of law except for §§ [5-715] 5-715,
26 5-719, and 5-802 of this article, the Secretary may transfer funds among any of the
27 various accounts within the Department or subject to its control, that are used to
28 provide financial support of any kind.

1 (b) Notwithstanding any other provision of law except for §§ [5-715] 5-715,
2 5-719, and 5-802 of this article, the Secretary may transfer funds from any of the
3 accounts described in subsection (a) of this section to the Economic Development
4 Opportunities Program Fund established under § 7-314 of the State Finance and
5 Procurement Article.

6 5-715.

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

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

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

23 (C) ANY MONEYS RECEIVED IN PAYMENT OF INTEREST AND REPAYMENT OF
24 PRINCIPAL FOR LOANS PROVIDED UNDER THE SMART GROWTH ECONOMIC
25 DEVELOPMENT INFRASTRUCTURE FUND ESTABLISHED UNDER § 5-719 OF THIS
26 SUBTITLE SHALL BE CREDITED TO THE SMART GROWTH ECONOMIC DEVELOPMENT
27 INFRASTRUCTURE FUND.

28 5-719.

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

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

33 (3) "QUALIFIED DISTRESSED COUNTY" MEANS A COUNTY, INCLUDING
34 BALTIMORE CITY:

35 (I) THAT HAS DEVELOPED AND SUBMITTED TO THE SECRETARY A
36 LOCAL STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT THAT HAS BEEN APPROVED
37 BY THE SECRETARY; AND

38 (II) FOR WHICH THE AVERAGE RATE OF UNEMPLOYMENT FOR THE
39 MOST RECENT 18-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE IS GREATER

1 THAN 150% OF THE AVERAGE RATE OF UNEMPLOYMENT FOR THE ENTIRE STATE
2 DURING THAT SAME PERIOD.

3 (B) (1) THERE IS A SMART GROWTH ECONOMIC DEVELOPMENT
4 INFRASTRUCTURE FUND.

5 (2) THE FUND CONSISTS OF:

6 (I) APPROPRIATIONS TO THE FUND;

7 (II) ANY INVESTMENT EARNINGS OF THE FUND;

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

10 (IV) MONEYS MADE AVAILABLE TO THE FUND FROM ANY OTHER
11 SOURCE.

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

15 (4) THE SECRETARY MAY NOT TRANSFER FUNDS FROM THE FUND TO
16 ANY OF THE VARIOUS ACCOUNTS WITHIN THE DEPARTMENT OR SUBJECT TO ITS
17 CONTROL.

18 (C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE
19 SECRETARY MAY APPROVE LOANS FROM THE FUND TO QUALIFYING DISTRESSED
20 COUNTIES FOR THE PURPOSES OF FINANCING THE COSTS OF ACQUISITION,
21 IMPROVEMENTS, AND REHABILITATION OF LAND FOR INDUSTRIAL SITES AND
22 PARKS, DEVELOPMENT OF WATER AND SEWER LINES, SHELL BUILDINGS, AND
23 OTHER NEEDED INFRASTRUCTURE PROJECTS, AS SET FORTH IN §§ 5-704 THROUGH
24 5-709 OF THIS SUBTITLE.

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

28 (II) THE EXCEPTIONS UNDER §§ 5-7B-05 AND 5-7B-06 OF THE STATE
29 FINANCE AND PROCUREMENT ARTICLE ALLOWING FUNDING OUTSIDE OF PRIORITY
30 FUNDING AREAS UNDER CERTAIN CIRCUMSTANCES DO NOT APPLY TO LOANS UNDER
31 THIS SECTION.

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

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

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

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

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

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

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

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