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By: **Delegates Conway, McKee, Elmore, Glassman, Wood, Aumann, Bartlett, Bohanan, Bozman, Cane, G. Clagett, Donoghue, Eckardt, Edwards, Elliott, Haddaway, Hogan, Impallaria, James, Jameson, Jennings, Kelly, Kohl, Krebs, Kullen, Levy, Mayer, McComas, McDonough, Myers, O'Donnell, Parrott, Proctor, Rudolph, Shank, Shewell, Smigiel, Sossi, Stocksdale, Stull, Vallario, Walkup, and Weldon**

Introduced and read first time: February 13, 2006

Assigned to: Rules and Executive Nominations

Re-referred to: Environmental Matters, February 27, 2006

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Committee Report: Favorable

House action: Adopted

Read second time: March 21, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Rural Maryland Prosperity Investment Fund**

3 FOR the purpose of establishing the Rural Maryland Prosperity Investment Fund as  
 4 a special fund for certain purposes; providing for the administration of the Fund;  
 5 providing for the disbursement of money from the Fund in certain proportions  
 6 and for certain purposes; authorizing the inclusion of certain appropriations in  
 7 the State budget in certain fiscal years; providing for the award of certain grants  
 8 from the Fund for certain purposes; requiring a certain annual report to the  
 9 Governor and the General Assembly; stating findings of the General Assembly;  
 10 defining certain terms; providing for the termination of this Act; and generally  
 11 relating to the Rural Maryland Prosperity Investment Fund.

12 BY adding to

13 Article - State Finance and Procurement

14 Section 2-207

15 Annotated Code of Maryland

16 (2001 Replacement Volume and 2005 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

18 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - State Finance and Procurement**

2 2-207.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
4 INDICATED.5 (2) "AGRICULTURE" MEANS THE COMMERCIAL PRODUCTION, STORAGE,  
6 PROCESSING, MARKETING, DISTRIBUTION, OR EXPORT OF AN AGRONOMIC,  
7 AQUACULTURAL, EQUINE, FLORICULTURAL, HORTICULTURAL, ORNAMENTAL,  
8 SILVICULTURAL, OR VITICULTURAL CROP, INCLUDING:

9 (I) FARM PRODUCTS;

10 (II) LIVESTOCK AND LIVESTOCK PRODUCTS;

11 (III) POULTRY AND POULTRY PRODUCTS;

12 (IV) MILK AND DAIRY PRODUCTS;

13 (V) TIMBER AND FOREST PRODUCTS;

14 (VI) FRUIT AND HORTICULTURAL PRODUCTS; AND

15 (VII) SEAFOOD AND AQUACULTURAL PRODUCTS.

16 (3) "BOARD" MEANS THE MARYLAND AGRICULTURAL EDUCATION AND  
17 RURAL DEVELOPMENT ASSISTANCE BOARD ESTABLISHED UNDER § 2-206(E) OF THIS  
18 SUBTITLE.19 (4) "COUNCIL" MEANS THE RURAL MARYLAND COUNCIL ESTABLISHED  
20 UNDER ARTICLE 41, TITLE 15, SUBTITLE 1 OF THE CODE.21 (5) "FUND" MEANS THE RURAL MARYLAND PROSPERITY INVESTMENT  
22 FUND ESTABLISHED UNDER THIS SECTION.

23 (6) "REGIONAL COUNCILS" MEANS:

24 (I) THE MID-SHORE REGIONAL COUNCIL;

25 (II) THE LOWER EASTERN SHORE REGIONAL COUNCIL;

26 (III) THE TRI-COUNTY COUNCIL FOR SOUTHERN MARYLAND;

27 (IV) THE TRI-COUNTY COUNCIL FOR WESTERN MARYLAND; AND

28 (V) THE UPPER SHORE REGIONAL COUNCIL.

29 (7) "RURAL AREA" MEANS:

30 (I) THE FOLLOWING COUNTIES:

- 1                   1.     ALLEGANY;
- 2                   2.     CALVERT;
- 3                   3.     CAROLINE;
- 4                   4.     CARROLL;
- 5                   5.     CECIL;
- 6                   6.     CHARLES;
- 7                   7.     DORCESTER;
- 8                   8.     FREDERICK;
- 9                   9.     GARRETT;
- 10                  10.    HARFORD;
- 11                  11.    KENT;
- 12                  12.    QUEEN ANNE'S;
- 13                  13.    ST. MARY'S;
- 14                  14.    SOMERSET;
- 15                  15.    TALBOT;
- 16                  16.    WASHINGTON;
- 17                  17.    WICOMICO; AND
- 18                  18.    WORCESTER; AND

19                    (II)    PORTIONS OF OTHER COUNTIES IN CLOSE PROXIMITY TO  
20 AGRICULTURAL ACTIVITY.

21                    (8)    "RURAL COMMUNITY" MEANS AN INCORPORATED OR  
22 UNINCORPORATED AREA OF A COUNTY OR GROUP OF COUNTIES IN A RURAL AREA.

23    (B)    THE GENERAL ASSEMBLY FINDS THAT:

24                    (1)    MANY RURAL COMMUNITIES IN THE STATE FACE A HOST OF  
25 DIFFICULT CHALLENGES RELATING TO PERSISTENT UNEMPLOYMENT AND  
26 POVERTY, CHANGING TECHNOLOGICAL AND ECONOMIC CONDITIONS, AN AGING  
27 POPULATION AND AN OUT-MIGRATION OF YOUTH, INADEQUATE ACCESS TO  
28 QUALITY HOUSING, HEALTH CARE AND OTHER SERVICES, AND DETERIORATING OR  
29 INADEQUATE TRANSPORTATION, COMMUNICATIONS, SANITATION, AND ECONOMIC  
30 DEVELOPMENT INFRASTRUCTURE;

1           (2)     MARYLAND'S AGRICULTURAL AND RESOURCE-BASED INDUSTRIES  
2 CONTINUE TO UNDERPIN THE LOCAL ECONOMIES OF RURAL COMMUNITIES BUT ARE  
3 INCREASINGLY UNDER THREAT FROM NATIONAL AND INTERNATIONAL MARKET  
4 COMPETITION, URBAN ENCROACHMENT AND LAND DEVELOPMENT PRESSURE, AND  
5 ENVIRONMENTAL AND REGULATORY INFLUENCES;

6           (3)     LOCAL GOVERNMENTS, REGIONAL ORGANIZATIONS, EDUCATIONAL  
7 INSTITUTIONS, AND PRIVATE SECTOR SERVICE PROVIDERS HAVE BEEN UNABLE TO  
8 MEET ALL THE ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND  
9 HUMAN SERVICES NEEDS OF MARYLAND RESIDENTS IN THE RURAL COUNTIES AND  
10 MUNICIPAL CORPORATIONS BECAUSE OF A LACK OF ADEQUATE AVAILABLE  
11 CAPACITY AND RESOURCES;

12          (4)     THE OBJECTIVE OF THE RURAL MARYLAND PROSPERITY  
13 INVESTMENT FUND IS TO HELP RAISE THE OVERALL STANDARD OF LIVING IN RURAL  
14 AREAS TO A LEVEL THAT MEETS OR EXCEEDS STATEWIDE BENCHMARK AVERAGES  
15 BY 2020, WHILE PRESERVING THE BEST ASPECTS OF A PASTORAL HERITAGE AND  
16 RURAL WAY OF LIFE;

17          (5)     RESOURCES PROVIDED TO THE FUND ARE DESIGNED TO FACILITATE  
18 SIGNIFICANT TARGETED INVESTMENTS IN IMPORTANT ECONOMIC AND COMMUNITY  
19 DEVELOPMENT PROGRAMS AND PROMOTE REGIONAL AND INTERGOVERNMENTAL  
20 COOPERATION;

21          (6)     THESE INVESTMENTS WILL ALSO ENABLE LOCAL AND REGIONAL  
22 PUBLIC AND NONPROFIT ORGANIZATIONS TO LEVERAGE ADDITIONAL NONSTATE  
23 FINANCIAL AND HUMAN RESOURCES TO FACILITATE THE REALIZATION OF  
24 SUSTAINABLE RURAL DEVELOPMENT OBJECTIVES WHILE THE PROGRAM IS IN  
25 EFFECT; AND

26          (7)     THE FUND WILL SERVE THE INTERESTS OF THE ENTIRE STATE BY:

27                 (I)     ENCOURAGING THE INCREASE OF ENTREPRENEURIAL  
28 ACTIVITY AND COMMERCE AND A BALANCED ECONOMY IN THE STATE;

29                 (II)    RELIEVING CONDITIONS OF UNEMPLOYMENT AND  
30 UNDEREMPLOYMENT IN RURAL AREAS;

31                 (III)   ASSISTING IN THE RETENTION OF VALUABLE FARM AND  
32 FOREST LAND FOR PRODUCTIVE USE BY PRESENT AND FUTURE GENERATIONS;

33                 (IV)    PROMOTING INTERGOVERNMENTAL COOPERATION AND  
34 PUBLIC SECTOR/PRIVATE SECTOR PARTNERSHIPS IN AND BETWEEN RURAL AND  
35 OTHER AREAS;

36                 (V)     ENHANCING THE DEPLOYMENT OF HOUSING,  
37 TRANSPORTATION, WATER, WASTEWATER, AND BROADBAND COMMUNICATIONS  
38 INFRASTRUCTURE AND SERVICES IN RURAL AREAS;

1 (VI) SUPPORTING RURAL COMMERCIAL CENTER REDEVELOPMENT  
2 AND COMMUNITY REVITALIZATION EFFORTS; AND

3 (VII) GENERALLY PROMOTING THE HEALTH, HAPPINESS, SAFETY,  
4 EMPLOYMENT OPPORTUNITY, AND GENERAL WELFARE OF THE RESIDENTS OF EACH  
5 OF THE RURAL COUNTIES AND MUNICIPAL CORPORATIONS OF THE STATE.

6 (C) (1) THERE IS A RURAL MARYLAND PROSPERITY INVESTMENT FUND.

7 (2) THE FUND IS ADMINISTERED BY THE RURAL MARYLAND COUNCIL  
8 WITH THE ASSISTANCE OF THE BOARD.

9 (3) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING TO RURAL  
10 REGIONAL AND STATEWIDE PLANNING AND DEVELOPMENT ORGANIZATIONS,  
11 INSTITUTIONS OF HIGHER EDUCATION SERVING RURAL COMMUNITIES, RURAL  
12 COMMUNITY DEVELOPMENT ORGANIZATIONS, AND LOCAL GOVERNMENTS ACTING  
13 IN PARTNERSHIP WITH ONE ANOTHER TO PROMOTE THE QUALITY OF LIFE IN RURAL  
14 AREAS.

15 (D) EACH YEAR, BEGINNING IN FISCAL YEAR 2008 AND CONTINUING  
16 THROUGH FISCAL YEAR 2020, THE GOVERNOR MAY INCLUDE AN APPROPRIATION IN  
17 THE BUDGET BILL FOR THE FUND.

18 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT  
19 TO REVERSION UNDER § 7-302 OF THIS ARTICLE.

20 (2) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER  
21 SHALL ACCOUNT FOR THE FUND.

22 (3) THE TREASURER MAY INVEST MONEY IN THE FUND IN THE SAME  
23 MANNER AS OTHER STATE MONEY MAY BE INVESTED.

24 (F) DISBURSEMENTS OF MONEY APPROPRIATED TO THE FUND SHALL BE  
25 ALLOCATED EQUALLY AMONG THE FOLLOWING CATEGORIES:

26 (1) RURAL REGIONAL PLANNING AND DEVELOPMENT ASSISTANCE, BY  
27 TARGETING SUPPORT TO THE:

28 (I) REGIONAL COUNCILS SERVING RURAL AREAS; AND

29 (II) MULTICOUNTY EFFORTS SERVING RURAL COMMUNITIES IN  
30 AREAS NOT SERVED BY THE REGIONAL COUNCILS;

31 (2) REGIONAL INFRASTRUCTURE PROJECTS THAT DIRECTLY INVOLVE  
32 TWO OR MORE UNITS OF LOCAL GOVERNMENT, NOT TO EXCEED ONE-FOURTH OF  
33 THE TOTAL COST OF ANY PARTICULAR PROJECT;

34 (3) RURAL ENTREPRENEURSHIP DEVELOPMENT, INCLUDING  
35 PROGRAMS AND ACTIVITIES SERVING RURAL COMMUNITIES UNDERTAKEN BY  
36 NONPROFIT ORGANIZATIONS AND INSTITUTIONS OF HIGHER EDUCATION; AND

1 (4) RURAL COMMUNITY DEVELOPMENT, PROGRAMMATIC ASSISTANCE,  
2 AND EDUCATION, WITH MONEY TO BE DIVIDED EQUALLY BETWEEN THE COUNCIL  
3 AND THE MARYLAND AGRICULTURAL EDUCATION AND RURAL DEVELOPMENT  
4 ASSISTANCE FUND.

5 (G) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE BOARD  
6 SHALL AWARD GRANTS FROM THE FUND ON A COMPETITIVE BASIS IN ACCORDANCE  
7 WITH THE PROCEDURES IN § 2-206(E) OF THIS SUBTITLE.

8 (2) ANY MONEY RECEIVED BY THE COUNCIL UNDER SUBSECTION (F) OF  
9 THIS SECTION SHALL BE USED TO HELP ADMINISTER THE FUND AND PERFORM  
10 OTHER FUNCTIONS THAT BENEFIT RURAL AREAS AS THE COUNCIL DETERMINES.

11 (3) A GRANT RECIPIENT SHALL SUBMIT TO THE COUNCIL WRITTEN  
12 DOCUMENTATION OF HOW THE GRANT RECIPIENT SPENT OR OTHERWISE USED THE  
13 GRANT.

14 (H) THE BOARD MAY REALLOCATE MONEY FROM ONE CATEGORY LISTED IN  
15 SUBSECTION (F) OF THIS SECTION TO ANOTHER CATEGORY ONLY IF THERE IS A LACK  
16 OF SUFFICIENT APPLICATIONS REQUESTING USE OF MONEY IN A PARTICULAR  
17 CATEGORY.

18 (I) (1) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE COUNCIL SHALL  
19 SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE  
20 STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

21 (2) THE REPORT SHALL SUMMARIZE THE ACTIVITIES OF THE FUND  
22 DURING THE PRECEDING FISCAL YEAR, INCLUDING:

23 (I) THE NUMBER OF GRANTS MADE DURING THE FISCAL YEAR;

24 (II) THE NAMES OF THE RECIPIENTS OF THE GRANTS;

25 (III) THE SPECIFIC PURPOSE OF EACH GRANT AWARDED; AND

26 (IV) DOCUMENTATION OF HOW THE GRANT RECIPIENT SPENT OR  
27 OTHERWISE USED THE GRANT.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 July 1, 2006. It shall remain effective for a period of 14 years and, at the end of June  
30 30, 2020, with no further action required by the General Assembly, this Act shall be  
31 abrogated and of no further force and effect.

