
By: **Senators Middleton, Munson, Brinkley, Colburn, Dyson, Haines,
Hooper, Jacobs, Klausmeier, and Stoltzfus**

Introduced and read first time: February 13, 2006

Assigned to: Rules

A BILL ENTITLED

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:

19 **Article - State Finance and Procurement**

20 2-207.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

23 (2) "AGRICULTURE" MEANS THE COMMERCIAL PRODUCTION, STORAGE,
24 PROCESSING, MARKETING, DISTRIBUTION, OR EXPORT OF AN AGRONOMIC,
25 AQUACULTURAL, EQUINE, FLORICULTURAL, HORTICULTURAL, ORNAMENTAL,
26 SILVICULTURAL, OR VITICULTURAL CROP, INCLUDING:

27 (I) FARM PRODUCTS;

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1 (II) LIVESTOCK AND LIVESTOCK PRODUCTS;

2 (III) POULTRY AND POULTRY PRODUCTS;

3 (IV) MILK AND DAIRY PRODUCTS;

4 (V) TIMBER AND FOREST PRODUCTS;

5 (VI) FRUIT AND HORTICULTURAL PRODUCTS; AND

6 (VII) SEAFOOD AND AQUACULTURAL PRODUCTS.

7 (3) "BOARD" MEANS THE MARYLAND AGRICULTURAL EDUCATION AND
8 RURAL DEVELOPMENT ASSISTANCE BOARD ESTABLISHED UNDER § 2-206(E) OF THIS
9 SUBTITLE.

10 (4) "COUNCIL" MEANS THE RURAL MARYLAND COUNCIL ESTABLISHED
11 UNDER ARTICLE 41, TITLE 15, SUBTITLE 1 OF THE CODE.

12 (5) "FUND" MEANS THE RURAL MARYLAND PROSPERITY INVESTMENT
13 FUND ESTABLISHED UNDER THIS SECTION.

14 (6) "REGIONAL COUNCILS" MEANS:

15 (I) THE MID-SHORE REGIONAL COUNCIL;

16 (II) THE LOWER EASTERN SHORE REGIONAL COUNCIL;

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

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

19 (V) THE UPPER SHORE REGIONAL COUNCIL.

20 (7) "RURAL AREA" MEANS:

21 (I) THE FOLLOWING COUNTIES:

22 1. ALLEGANY;

23 2. CALVERT;

24 3. CAROLINE;

25 4. CARROLL;

26 5. CECIL;

27 6. CHARLES;

28 7. DORCESTER;

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

12 (II) PORTIONS OF OTHER COUNTIES IN CLOSE PROXIMITY TO
 13 AGRICULTURAL ACTIVITY.

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

16 (B) THE GENERAL ASSEMBLY FINDS THAT:

17 (1) MANY RURAL COMMUNITIES IN THE STATE FACE A HOST OF
 18 DIFFICULT CHALLENGES RELATING TO PERSISTENT UNEMPLOYMENT AND
 19 POVERTY, CHANGING TECHNOLOGICAL AND ECONOMIC CONDITIONS, AN AGING
 20 POPULATION AND AN OUT-MIGRATION OF YOUTH, INADEQUATE ACCESS TO
 21 QUALITY HOUSING, HEALTH CARE AND OTHER SERVICES, AND DETERIORATING OR
 22 INADEQUATE TRANSPORTATION, COMMUNICATIONS, SANITATION, AND ECONOMIC
 23 DEVELOPMENT INFRASTRUCTURE;

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

29 (3) LOCAL GOVERNMENTS, REGIONAL ORGANIZATIONS, EDUCATIONAL
 30 INSTITUTIONS, AND PRIVATE SECTOR SERVICE PROVIDERS HAVE BEEN UNABLE TO
 31 MEET ALL THE ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND
 32 HUMAN SERVICES NEEDS OF MARYLAND RESIDENTS IN THE RURAL COUNTIES AND
 33 MUNICIPAL CORPORATIONS BECAUSE OF A LACK OF ADEQUATE AVAILABLE
 34 CAPACITY AND RESOURCES;

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

6 (5) RESOURCES PROVIDED TO THE FUND ARE DESIGNED TO FACILITATE
7 SIGNIFICANT TARGETED INVESTMENTS IN IMPORTANT ECONOMIC AND COMMUNITY
8 DEVELOPMENT PROGRAMS AND PROMOTE REGIONAL AND INTERGOVERNMENTAL
9 COOPERATION;

10 (6) THESE INVESTMENTS WILL ALSO ENABLE LOCAL AND REGIONAL
11 PUBLIC AND NONPROFIT ORGANIZATIONS TO LEVERAGE ADDITIONAL NONSTATE
12 FINANCIAL AND HUMAN RESOURCES TO FACILITATE THE REALIZATION OF
13 SUSTAINABLE RURAL DEVELOPMENT OBJECTIVES WHILE THE PROGRAM IS IN
14 EFFECT; AND

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

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

18 (II) RELIEVING CONDITIONS OF UNEMPLOYMENT AND
19 UNDEREMPLOYMENT IN RURAL AREAS;

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

22 (IV) PROMOTING INTERGOVERNMENTAL COOPERATION AND
23 PUBLIC SECTOR/PRIVATE SECTOR PARTNERSHIPS IN AND BETWEEN RURAL AND
24 OTHER AREAS;

25 (V) ENHANCING THE DEPLOYMENT OF HOUSING,
26 TRANSPORTATION, WATER, WASTEWATER, AND BROADBAND COMMUNICATIONS
27 INFRASTRUCTURE AND SERVICES IN RURAL AREAS;

28 (VI) SUPPORTING RURAL COMMERCIAL CENTER REDEVELOPMENT
29 AND COMMUNITY REVITALIZATION EFFORTS; AND

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

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

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

36 (3) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING TO RURAL
37 REGIONAL AND STATEWIDE PLANNING AND DEVELOPMENT ORGANIZATIONS,

1 INSTITUTIONS OF HIGHER EDUCATION SERVING RURAL COMMUNITIES, RURAL
2 COMMUNITY DEVELOPMENT ORGANIZATIONS, AND LOCAL GOVERNMENTS ACTING
3 IN PARTNERSHIP WITH ONE ANOTHER TO PROMOTE THE QUALITY OF LIFE IN RURAL
4 AREAS.

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

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

10 (2) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
11 SHALL ACCOUNT FOR THE FUND.

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

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

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

18 (I) REGIONAL COUNCILS SERVING RURAL AREAS; AND

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

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

24 (3) RURAL ENTREPRENEURSHIP DEVELOPMENT, INCLUDING
25 PROGRAMS AND ACTIVITIES SERVING RURAL COMMUNITIES UNDERTAKEN BY
26 NONPROFIT ORGANIZATIONS AND INSTITUTIONS OF HIGHER EDUCATION; AND

27 (4) RURAL COMMUNITY DEVELOPMENT, PROGRAMMATIC ASSISTANCE,
28 AND EDUCATION, WITH MONEY TO BE DIVIDED EQUALLY BETWEEN THE COUNCIL
29 AND THE MARYLAND AGRICULTURAL EDUCATION AND RURAL DEVELOPMENT
30 ASSISTANCE FUND.

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

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

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

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

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

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

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

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

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

16 (IV) DOCUMENTATION OF HOW THE GRANT RECIPIENT SPENT OR
17 OTHERWISE USED THE GRANT.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 2006. It shall remain effective for a period of 14 years and, at the end of June
20 30, 2020, with no further action required by the General Assembly, this Act shall be
21 abrogated and of no further force and effect.