

Chapter 523

(House Bill 1345)

AN ACT concerning

National Capital Strategic Economic Development Fund

FOR the purpose of establishing the National Capital Strategic Economic Development Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department of Housing and Community Development to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; specifying certain eligibility criteria for awarding grants from the Fund; requiring interest earnings of the Fund to be credited to the Fund; requiring an appropriation to the Fund to be allocated in a certain manner; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; defining a certain term; and generally relating to the National Capital Strategic Economic Development Fund.

BY adding to

Article – Housing and Community Development
Section 4–510
Annotated Code of Maryland
(2006 Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)94. and 95.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – State Finance and Procurement
Section 6–226(a)(2)(ii)96.
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – Housing and Community Development

4-510.

(A) IN THIS SECTION, “FUND” MEANS THE NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT FUND.

(B) THERE IS A NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS ~~AND LOANS~~ TO ASSIST IN PREDEVELOPMENT ACTIVITIES FOR COMMERCIAL AND RESIDENTIAL DEVELOPMENT, INCLUDING SITE ACQUISITION, LAND ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE DEVELOPMENT FOR REVITALIZATION ~~PROJECTS~~ IN DESIGNATED AREAS OF THE STATE.

(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) INTEREST EARNINGS OF THE FUND; AND

(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) (1) (I) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS TO GOVERNMENT AGENCIES AND NONPROFIT COMMUNITY DEVELOPMENT ORGANIZATIONS FOR COMMERCIAL OR RESIDENTIAL DEVELOPMENT PROJECTS FOR SITE ACQUISITION, LAND ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE DEVELOPMENT FOR REVITALIZATION ~~PROJECTS~~ IN AN AREA DESIGNATED AS A SUSTAINABLE COMMUNITY.

(II) COMMERCIAL AND RESIDENTIAL DEVELOPMENT PROJECTS INCLUDE:

- 1. RENOVATION AND REHABILITATION OF SINGLE FAMILY HOMES;**
- 2. ACQUISITION AND REHABILITATION OF VACANT HOMES FOR RESALE TO NEW HOMEBUYERS;**
- 3. IMPROVEMENTS TO BUSINESS PROPERTIES;**
- 4. ENHANCEMENT OF COMMUNITY OPEN SPACE OR PUBLIC INFRASTRUCTURE; AND**
- 5. WORKFORCE AND EMPLOYMENT DEVELOPMENT PROGRAMS.**

(2) (I) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER, TO BE ELIGIBLE FOR A GRANT FROM THE FUND, A GOVERNMENT AGENCY OR NONPROFIT COMMUNITY DEVELOPMENT ORGANIZATION SHALL PROVIDE EVIDENCE OF A MATCHING FUND THAT IS EQUAL TO \$1 FOR EVERY \$4 IN STATE FUNDING THAT THE AGENCY OR ORGANIZATION IS APPLYING FOR FROM THE FUND.

(II) THE MATCHING FUND REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY INCLUDE:

- 1. MONEY FROM THE FEDERAL GOVERNMENT, LOCAL GOVERNMENT, OR ANY OTHER PUBLIC OR PRIVATE SOURCE;**
- 2. REAL PROPERTY;**
- 3. IN-KIND CONTRIBUTIONS; AND**
- 4. FUNDS EXPENDED BEFORE THE DATE THE GRANT IS AWARDED.**

(3) THE DEPARTMENT SHALL AWARD GRANTS FROM THE FUND ON A COMPETITIVE BASIS.

(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

(J) IF THE GOVERNOR INCLUDES IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND, THE APPROPRIATION SHALL BE ALLOCATED AS FOLLOWS:

(1) 85% FOR PROJECTS IN THOSE AREAS OF THE STATE LOCATED BETWEEN INTERSTATE HIGHWAY 495 AND THE DISTRICT OF COLUMBIA; AND

(2) 15% FOR PROJECTS THROUGHOUT THE STATE.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

94. the Community Program Fund; [and]

95. the Maryland Corps Program Fund; AND

96. THE NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, May 4, 2017.