# HOUSE BILL 1345

### By: Delegate A. Washington Delegates A. Washington and Healey

Introduced and read first time: February 10, 2017 Assigned to: Environment and Transportation

Committee Report: Favorable with amendments House action: Adopted Read second time: March 14, 2017

CHAPTER \_\_\_\_\_

1 AN ACT concerning

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## National Capital Strategic Economic Development Fund

3 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 4  $\mathbf{5}$ Department of Housing and Community Development to administer the Fund; 6 requiring the State Treasurer to hold the Fund and the Comptroller to account for 7 the Fund; specifying the contents of the Fund; specifying the purpose for which the 8 Fund may be used; specifying certain eligibility criteria for awarding grants from the 9 Fund; requiring interest earnings of the Fund to be credited to the Fund; requiring 10 an appropriation to the Fund to be allocated in a certain manner; exempting the 11 Fund from a certain provision of law requiring interest on State money in special 12 funds to accrue to the General Fund of the State; defining a certain term; and 13generally relating to the National Capital Strategic Economic Development Fund.

- 14 BY adding to
- 15 Article Housing and Community Development
- 16 Section 4–510
- 17 Annotated Code of Maryland
- 18 (2006 Volume and 2016 Supplement)
- 19 BY repealing and reenacting, without amendments,
- 20 Article State Finance and Procurement
- 21 Section 6–226(a)(2)(i)
- 22 Annotated Code of Maryland
- 23 (2015 Replacement Volume and 2016 Supplement)

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 BY repealing and reenacting, with amendments,
- 2 Article State Finance and Procurement
- 3 Section 6–226(a)(2)(ii)94. and 95.
- 4 Annotated Code of Maryland
- 5 (2015 Replacement Volume and 2016 Supplement)

## 6 BY adding to

- 7 Article State Finance and Procurement
- 8 Section 6–226(a)(2)(ii)96.
- 9 Annotated Code of Maryland
- 10 (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:

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# Article – Housing and Community Development

14 **4–510.** 

15 (A) IN THIS SECTION, "FUND" MEANS THE NATIONAL CAPITAL STRATEGIC 16 ECONOMIC DEVELOPMENT FUND.

17 (B) THERE IS A NATIONAL CAPITAL STRATEGIC ECONOMIC DEVELOPMENT 18 FUND.

19 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS AND LOANS TO 20 ASSIST IN PREDEVELOPMENT ACTIVITIES FOR COMMERCIAL AND RESIDENTIAL 21 <u>DEVELOPMENT</u>, INCLUDING SITE ACQUISITION, LAND ASSEMBLY, ARCHITECTURE 22 AND ENGINEERING, AND SITE DEVELOPMENT FOR REVITALIZATION <del>PROJECTS</del> IN 23 DESIGNATED AREAS OF THE STATE.

24 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

25 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT 26 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

27 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, 28 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

- 29 (F) THE FUND CONSISTS OF:
- 30 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
- 31 (2) INTEREST EARNINGS OF THE FUND; AND

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1 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 2 THE BENEFIT OF THE FUND.

3 (G) (1) (I) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS TO 4 **GOVERNMENT** AGENCIES AND NONPROFIT COMMUNITY DEVELOPMENT ORGANIZATIONS FOR COMMERCIAL OR RESIDENTIAL DEVELOPMENT PROJECTS FOR 5 SITE ACQUISITION, LAND ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE 6 DEVELOPMENT FOR REVITALIZATION PROJECTS IN AN AREA DESIGNATED AS A 7 SUSTAINABLE COMMUNITY. 8

9 (II) <u>COMMERCIAL AND RESIDENTIAL DEVELOPMENT PROJECTS</u> 10 <u>INCLUDE:</u>

- 111.RENOVATION AND REHABILITATION OF SINGLE12FAMILY HOMES;
- 132.ACQUISITION AND REHABILITATION OF VACANT14HOMES FOR RESALE TO NEW HOMEBUYERS;
- 15 <u>3.</u> <u>IMPROVEMENTS TO BUSINESS PROPERTIES;</u>
- 164.ENHANCEMENT OF COMMUNITY OPEN SPACE OR17PUBLIC INFRASTRUCTURE; AND
- 185.WORKFORCE AND EMPLOYMENT DEVELOPMENT19PROGRAMS.

20 (2) (I) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR 21 THEREAFTER, TO BE ELIGIBLE FOR A GRANT FROM THE FUND, A GOVERNMENT 22 AGENCY OR <u>NONPROFIT</u> COMMUNITY DEVELOPMENT ORGANIZATION SHALL 23 PROVIDE EVIDENCE OF A MATCHING FUND THAT IS EQUAL TO \$1 FOR EVERY \$4 IN 24 STATE FUNDING THAT THE AGENCY OR ORGANIZATION IS APPLYING FOR FROM THE 25 FUND.

- 26(II) THE MATCHING FUND REQUIRED UNDER SUBPARAGRAPH27(I) OF THIS PARAGRAPH MAY INCLUDE:
- MONEY FROM THE FEDERAL GOVERNMENT, LOCAL
  GOVERNMENT, OR ANY OTHER PUBLIC OR PRIVATE SOURCE;
- 30 **2.** REAL PROPERTY;
- 31 **3.** IN-KIND CONTRIBUTIONS; AND

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FUNDS EXPENDED BEFORE THE DATE THE GRANT IS

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3 (3) THE DEPARTMENT SHALL AWARD GRANTS FROM THE FUND ON A 4 **COMPETITIVE BASIS.** THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND  $\mathbf{5}$ **(H)** (1) 6 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED. 7 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO 8 THE FUND. 9 **EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE (I)** 10 WITH THE STATE BUDGET. 11 IF THE GOVERNOR INCLUDES IN THE ANNUAL BUDGET BILL AN (J) 12APPROPRIATION TO THE FUND, THE APPROPRIATION SHALL BE ALLOCATED AS 13 FOLLOWS: 14 (1) 85% FOR PROJECTS IN THOSE AREAS OF THE STATE LOCATED BETWEEN INTERSTATE HIGHWAY 495 AND THE DISTRICT OF COLUMBIA; AND 1516 (2) 15% FOR PROJECTS THROUGHOUT THE STATE. **Article - State Finance and Procurement** 176 - 226. 18 19 (2)Notwithstanding any other provision of law, and unless (a) (i) inconsistent with a federal law, grant agreement, or other federal requirement or with the 20terms of a gift or settlement agreement, net interest on all State money allocated by the 2122State Treasurer under this section to special funds or accounts, and otherwise entitled to 23receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State. 2425The provisions of subparagraph (i) of this paragraph do not apply (ii) 26to the following funds: 2794. the Community Program Fund; [and] 2895. the Maryland Corps Program Fund; AND THE NATIONAL CAPITAL STRATEGIC ECONOMIC 29**96**. 30 **DEVELOPMENT FUND.** 

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AWARDED.

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.