

SENATE BILL 632

C8

8lr1182
CF HB 817

By: **Senator Rosapepe**

Introduced and read first time: February 1, 2018

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2018

CHAPTER _____

1 AN ACT concerning

2 **Maryland Smart Growth Investment Fund**

3 FOR the purpose of authorizing the Department of Commerce to create, own, control, or be
4 a member of a certain entity for certain purposes; requiring the Department to issue
5 a request for proposals to select a management entity to establish a certain
6 investment fund; ~~requiring~~ authorizing the Governor to include in the annual budget
7 bill for certain fiscal years a certain appropriation for the Maryland Smart Growth
8 Investment Fund; providing that the ~~Governor is not required to include the~~
9 ~~appropriation in the annual budget bill for certain fiscal years if on certain dates the~~
10 ~~balance in the Fund is less than a certain amount~~ Department is not required to
11 invest certain appropriated funds in the Fund if the committed capital in the Fund
12 is less than a certain amount on a certain date; requiring the Governor to nominate
13 certain census tracts for designation as qualified opportunity zones under the federal
14 Tax Cuts and Jobs Act of 2017 and provide certain notice to the United States
15 Secretary of the Treasury; defining a certain term; and generally relating to the
16 Maryland Smart Growth Investment Fund.

17 BY adding to

18 Article – Economic Development

19 Section 5–1701 to be under the new subtitle “Subtitle 17. Miscellaneous Economic
20 Development Funds”

21 Annotated Code of Maryland

22 (2008 Volume and 2017 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.



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

Article – Economic Development

SUBTITLE 17. MISCELLANEOUS ECONOMIC DEVELOPMENT FUNDS.

5-1701.

(A) IN THIS SECTION, “FUND” MEANS THE MARYLAND SMART GROWTH INVESTMENT FUND, ~~WHICH WAS ESTABLISHED IN ACCORDANCE WITH:~~

(1) ~~IN ACCORDANCE WITH~~ THE RECOMMENDATIONS OF THE MARYLAND SMART GROWTH INVESTMENT FUND WORKGROUP; AND

~~(2) BY THE DEPARTMENT OF COMMERCE AS PART OF A REQUEST FOR PROPOSALS FOR AN INVESTMENT MANAGER.~~

(2) THE REQUEST FOR PROPOSALS ISSUED BY THE DEPARTMENT UNDER SUBSECTION (C) OF THIS SECTION.

(B) TO CARRY OUT THE PURPOSES OF THIS SUBTITLE, THE DEPARTMENT MAY CREATE, OWN, CONTROL, OR BE A MEMBER OF A CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, OR ANY OTHER ENTITY, WHETHER OPERATED FOR PROFIT OR NOT FOR PROFIT.

(C) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS TO SELECT A MANAGEMENT ENTITY TO ESTABLISH AN INVESTMENT FUND THAT IS:

(1) BASED ON THE RECOMMENDATIONS IN THE DECEMBER 2013 REPORT OF THE MARYLAND SMART GROWTH INVESTMENT FUND WORKGROUP; AND

(2) DESIGNED TO MEET THE REQUIREMENTS FOR A QUALIFIED OPPORTUNITY FUND UNDER THE FEDERAL TAX CUTS AND JOBS ACT OF 2017.

~~(B)~~ (D) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, FOR FISCAL YEARS 2020 AND 2021, THE GOVERNOR ~~SHALL~~ MAY INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$3,750,000 FOR THE FUND.

~~(C) (1) THE GOVERNOR IS NOT REQUIRED TO INCLUDE IN THE FISCAL YEAR 2020 ANNUAL BUDGET BILL THE APPROPRIATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION IF ON MARCH 1, 2018, THE FUND BALANCE IS LESS THAN \$25,000,000.~~

1 ~~(2) THE GOVERNOR IS NOT REQUIRED TO INCLUDE IN THE FISCAL~~
 2 ~~YEAR 2021 ANNUAL BUDGET BILL THE APPROPRIATION REQUIRED UNDER~~
 3 ~~SUBSECTION (B) OF THIS SECTION IF ON JULY 1, 2019, THE FUND BALANCE IS LESS~~
 4 ~~THAN \$25,000,000.~~

5 (E) THE DEPARTMENT IS NOT REQUIRED TO INVEST THE FUNDS
 6 APPROPRIATED UNDER SUBSECTION (D) OF THIS SECTION IN THE FUND IF THE
 7 COMMITTED CAPITAL IN THE FUND IS LESS THAN \$25,000,000 ON DECEMBER 31,
 8 2020.

9 SECTION 2. AND BE IT FURTHER ENACTED, That, the Governor shall:

10 (1) nominate for designation as qualified opportunity zones under the
 11 federal Tax Cuts and Jobs Act of 2017 population census tracts that:

12 (i) constitute up to 25% of the census tracts in the State that are
 13 eligible low-income communities as defined in the federal Tax Cuts and Jobs Act of 2017;

14 (ii) are located in State priority funding areas as defined in § 6-301
 15 of the Economic Development Article; and

16 (iii) are fairly distributed among urban, suburban, and rural areas of
 17 the State; and

18 (2) notify the United States Secretary of the Treasury in writing of the
 19 nominations.

20 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 21 June 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.