

SENATE BILL 756

C8

9lr2821

By: Senator Hester

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Community Development – Rural Maryland Opportunity Zone Fund**

3 FOR the purpose of establishing the Rural Maryland Opportunity Zone Fund as a special,
4 nonlapsing fund in the Department of Housing and Community Development;
5 specifying the purpose, use, and contents of the Fund; requiring the Secretary of
6 Housing and Community Development to administer the Fund; requiring the State
7 Treasurer to hold the Fund and the Comptroller to account for the Fund; providing
8 that expenditures from the Fund may be made only in accordance with the State
9 budget; requiring the Secretary to establish certain procedures for the disbursement
10 of financial incentives from the Fund; requiring an annual report; and generally
11 relating to the Rural Maryland Opportunity Zone Fund.

12 BY adding to

13 Article – Housing and Community Development

14 Section 4–512

15 Annotated Code of Maryland

16 (2006 Volume and 2018 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – State Finance and Procurement

19 Section 6–226(a)(2)(i)

20 Annotated Code of Maryland

21 (2015 Replacement Volume and 2018 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – State Finance and Procurement

24 Section 6–226(a)(2)(ii)112. and 113.

25 Annotated Code of Maryland

26 (2015 Replacement Volume and 2018 Supplement)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement
2 Section 6–226(a)(2)(ii)114.
3 Annotated Code of Maryland
4 (2015 Replacement Volume and 2018 Supplement)

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

7 **Article – Housing and Community Development**

8 **4–512.**

9 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
10 **INDICATED.**

11 **(2) “FUND” MEANS THE RURAL MARYLAND OPPORTUNITY ZONE**
12 **FUND.**

13 **(3) (I) “OPPORTUNITY ZONE” MEANS AN AREA DESIGNATED AS A**
14 **QUALIFIED OPPORTUNITY ZONE UNDER § 1400Z–1 OF THE INTERNAL REVENUE**
15 **CODE.**

16 **(II) “OPPORTUNITY ZONE” DOES NOT INCLUDE AN AREA WHOSE**
17 **DESIGNATION UNDER § 1400Z–1 HAS LAPSED.**

18 **(B) THERE IS A RURAL MARYLAND OPPORTUNITY ZONE FUND IN THE**
19 **DEPARTMENT.**

20 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL INCENTIVES TO**
21 **ENCOURAGE INVESTMENT IN DESIGNATED OPPORTUNITY ZONES IN WESTERN**
22 **MARYLAND AND ON THE EASTERN SHORE OF MARYLAND.**

23 **(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

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

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

28 **(F) THE FUND CONSISTS OF:**

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

(2) INVESTMENT EARNINGS OF THE FUND;

(3) REPAYMENTS OF LOANS MADE FROM THE FUND; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
IT OF THE FUND.

(G) THE FUND MAY BE USED FOR:

(1) GRANTS, LOANS, OR OTHER FINANCIAL INCENTIVES FOR
NTAL UNITS, COMMUNITY DEVELOPMENT ORGANIZATIONS, OR PRIVATE
OR PROJECTS IN OPPORTUNITY ZONES IN WESTERN MARYLAND AND ON
RN SHORE OF MARYLAND; AND

**(2) ADMINISTRATIVE EXPENSES INCLUDING EXPENSES RELATED TO
THE FUND.**

(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

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

(J) THE SECRETARY SHALL ESTABLISH PROCEDURES FOR GRANTING
NCIAL ASSISTANCE FROM THE FUND, INCLUDING A PROCESS FOR PUBLIC
T INTO INVESTMENTS IN RURAL OPPORTUNITY ZONES AND FOR PARTNERING
COMMUNITY DEVELOPMENT ORGANIZATIONS AND UNITS OF LOCAL
RNMENT.

(k) ON OR BEFORE OCTOBER 1 EACH YEAR, THE DEPARTMENT SHALL
IT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE
VERNMENT ARTICLE, THE GENERAL ASSEMBLY AN ANNUAL REPORT THAT
UDES THE AMOUNT OF INVESTMENT EACH YEAR IN RURAL OPPORTUNITY
S, THE NUMBER OF PROJECTS, THE NUMBER OF LOCAL JOBS CREATED, AND
NUMBER OF PARTNERSHIPS WITH COMMUNITY DEVELOPMENT ORGANIZATIONS
UNITS OF LOCAL GOVERNMENT.

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

9 112. the Pretrial Services Program Grant Fund; [and]

113. the Veteran Employment and Transition Success Fund;

11 AND

114. THE RURAL MARYLAND OPPORTUNITY ZONE FUND.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2019.