

# SENATE BILL 946

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By: **Senator Hayes**

Introduced and read first time: February 3, 2020

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Housing and Community Development – Neighborhood Revitalization – Passive**  
3 **House Pilot Program**

4 FOR the purpose of establishing the Passive House Pilot Program in the Department of  
5 Housing and Community Development; establishing the purposes of the Program;  
6 requiring the Department to solicit proposals from nonprofit organizations that  
7 feature certain elements; requiring the Department to give priority to proposals for  
8 which a nonprofit organization partners with certain educational institutions;  
9 establishing the Passive House Pilot Program Fund as a special, nonlapsing fund;  
10 specifying the purpose of the Fund; requiring the Secretary of Housing and  
11 Community Development or the Secretary's designee to administer the Fund;  
12 requiring the State Treasurer to hold the Fund and the Comptroller to account for  
13 the Fund; specifying the contents of the Fund; ~~requiring the Governor, for certain~~  
14 ~~fiscal years, to include a certain appropriation in the annual budget bill for the Fund;~~  
15 providing for the investment of money in and expenditures from the Fund; requiring  
16 interest earnings of the Fund to be credited to the Fund; providing that certain  
17 appropriations and expenditures are subject to audit by the Office of Legislative  
18 Audits; exempting the Fund from a certain provision of law requiring interest  
19 earnings on State money to accrue to the General Fund of the State; requiring the  
20 Department to adopt certain regulations; defining certain terms; providing for the  
21 termination of this Act; and generally relating to the Passive House Pilot Program.

22 BY repealing and reenacting, without amendments,  
23 Article – Housing and Community Development  
24 Section 1–101(a),(d), and (j)

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### 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 Annotated Code of Maryland  
2 (2019 Replacement Volume and 2019 Supplement)

3 BY adding to  
4 Article – Housing and Community Development  
5 Section 6–801 through 6–805 to be under the new subtitle “Subtitle 8. Passive House  
6 Pilot Program”  
7 Annotated Code of Maryland  
8 (2019 Replacement Volume and 2019 Supplement)

9 BY repealing and reenacting, without amendments,  
10 Article – State Finance and Procurement  
11 Section 6–226(a)(2)(i)  
12 Annotated Code of Maryland  
13 (2015 Replacement Volume and 2019 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – State Finance and Procurement  
16 Section 6–226(a)(2)(ii)121. and 122.  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2019 Supplement)

19 BY adding to  
20 Article – State Finance and Procurement  
21 Section 6–226(a)(2)(ii)123.  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2019 Supplement)

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

26 **Article – Housing and Community Development**

27 1–101.

28 (a) In this Division I of this article the following words have the meanings  
29 indicated.

30 (d) “Department” means the Department of Housing and Community  
31 Development.

32 (j) “Secretary” means the Secretary of Housing and Community Development.

33 **SUBTITLE 8. PASSIVE HOUSE PILOT PROGRAM.**

34 **6–801.**

1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3 (B) "FUND" MEANS THE PASSIVE HOUSE PILOT PROGRAM FUND.

4 (C) "PASSIVE HOUSE" MEANS A BUILDING THAT:

5 (1) IS CONSTRUCTED OR UPGRADED USING THE PASSIVE HOUSE  
6 INSTITUTE METHODOLOGY; AND

7 (2) MEETS THE PASSIVE HOUSE STANDARD CRITERIA.

8 (D) "PASSIVE HOUSE STANDARD" MEANS AN INTERNATIONAL BUILDING  
9 STANDARD DEVELOPED BY THE PASSIVE HOUSE INSTITUTE.

10 (E) "PROGRAM" MEANS THE PASSIVE HOUSE PILOT PROGRAM.

11 **6-802.**

12 (A) THERE IS A PASSIVE HOUSE PILOT PROGRAM IN THE DEPARTMENT.

13 (B) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

14 (C) THE PURPOSE OF THE PROGRAM IS TO ASSIST A NONPROFIT  
15 ORGANIZATION IN PARTNERSHIP WITH NEIGHBORING HIGH SCHOOLS AND  
16 INSTITUTES OF HIGHER EDUCATION, TO PROVIDE STUDENTS WITH CAREER AND  
17 TECHNICAL EDUCATIONAL EXPERIENCES THROUGH THE RENOVATION OF  
18 RESIDENTIAL PROPERTIES TO BECOME PASSIVE HOUSES.

19 **6-803.**

20 (A) THE DEPARTMENT SHALL SOLICIT PROPOSALS FROM NONPROFIT  
21 ORGANIZATIONS FOR THE PROGRAM THAT FEATURE:

22 (1) THE ACQUISITION OF ONE OR MORE PROPERTIES FOR  
23 RENOVATION THAT ARE WITHIN CLOSE PROXIMITY OF A HIGH SCHOOL ~~LOCATED IN~~  
24 ~~BALTIMORE CITY;~~

25 (2) RENOVATION OF THE ACQUIRED PROPERTY OR PROPERTIES BY:

26 (I) USING COMPONENTS CERTIFIED BY THE PASSIVE HOUSE  
27 INSTITUTE; AND

1 (II) BRINGING THE PROPERTY OR PROPERTIES INTO  
2 COMPLIANCE WITH THE CRITERIA FOR PASSIVE HOUSES AS ESTABLISHED BY THE  
3 PASSIVE HOUSE INSTITUTE;

4 (3) PROVIDING STUDENTS, THROUGH THE RENOVATION PROCESS,  
5 CAREER AND TECHNICAL EDUCATIONAL EXPERIENCES; AND

6 (4) ENSURING THAT ANY RENOVATED PROPERTY IS UTILIZED TO  
7 PROVIDE AFFORDABLE HOUSING IN THE NEIGHBORHOOD IN WHICH THE PROPERTY  
8 IS LOCATED.

9 (B) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS FOR WHICH A  
10 NONPROFIT ORGANIZATION PARTNERS WITH A HIGH SCHOOL AND INSTITUTIONS OF  
11 HIGHER EDUCATION ~~LOCATED IN BALTIMORE CITY~~ TO ACCOMPLISH THE PROPOSAL  
12 ELEMENTS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

13 ~~6-804.~~

14 (A) THERE IS A PASSIVE HOUSE PILOT PROGRAM FUND IN THE  
15 DEPARTMENT.

16 (B) THE PURPOSE OF THE FUND IS TO COVER THE FOLLOWING COSTS OF  
17 THE PROGRAM:

18 (1) PROPERTY ACQUISITION COSTS;

19 (2) PROPERTY RENOVATION COSTS, INCLUDING:

20 (I) DEMOLITION OR DECONSTRUCTION COSTS;

21 (II) ARCHITECTURAL AND ENGINEERING DESIGN COSTS;

22 (III) BUILDING MATERIAL COSTS; AND

23 (IV) PASSIVE HOUSE CERTIFICATION COSTS; AND

24 (3) ADMINISTRATIVE COSTS.

25 (C) THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL ADMINISTER  
26 THE FUND IN ACCORDANCE WITH THIS SUBTITLE AND ANY OTHER APPLICABLE LAW.

27 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
28 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND  
29 PROCUREMENT ARTICLE.

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

3           (E) THE FUND CONSISTS OF:

4               (1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

5               (2) ANY INTEREST EARNINGS OF THE FUND; AND

6               (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR  
7 THE BENEFIT OF THE PROGRAM.

8           (F) THE FUND MAY BE USED ONLY FOR THE PURPOSES DESCRIBED UNDER  
9 SUBSECTION (B) OF THIS SECTION.

10           ~~(G) FOR EACH OF THE FOLLOWING FISCAL YEARS, THE GOVERNOR SHALL~~  
11 ~~INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND IN AN~~  
12 ~~AMOUNT EQUAL TO:~~

13               ~~(1) FOR FISCAL YEAR 2022, \$300,000;~~

14               ~~(2) FOR FISCAL YEAR 2023, \$400,000; AND~~

15               ~~(3) FOR FISCAL YEAR 2024, \$300,000.~~

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

18               (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED  
19 TO THE FUND.

20           ~~(H)~~ (H) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE  
21 AUDITS AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

22 **6-805.**

23           THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS  
24 SUBTITLE.

25                                   Article – State Finance and Procurement

26 6-226.

27           (a) (2) (i) Notwithstanding any other provision of law, and unless  
28 inconsistent with a federal law, grant agreement, or other federal requirement or with the

1 terms of a gift or settlement agreement, net interest on all State money allocated by the  
2 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
3 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
4 Fund of the State.

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

7 121. the Markell Hendricks Youth Crime Prevention and  
8 Diversion Parole Fund; [and]

9 122. the Federal Government Shutdown Employee Assistance  
10 Loan Fund; AND

11 **123. THE PASSIVE HOUSE PILOT PROGRAM FUND.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2020. It shall remain effective for a period of 4 years and, at the end of September  
14 30, 2024, this Act, with no further action required by the General Assembly, shall be  
15 abrogated and of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.