

# SENATE BILL 636

C8  
SB 946/20 – EHE & B&T

11r2492

---

By: **Senator Hayes**

Introduced and read first time: January 29, 2021

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

---

## A BILL ENTITLED

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; providing for the investment of money  
14 in and expenditures from the Fund; requiring interest earnings of the Fund to be  
15 credited to the Fund; providing that certain appropriations and expenditures are  
16 subject to audit by the Office of Legislative Audits; exempting the Fund from a  
17 certain provision of law requiring interest earnings on State money to accrue to the  
18 General Fund of the State; requiring the Department to adopt certain regulations;  
19 defining certain terms; providing for the termination of this Act; and generally  
20 relating to the Passive House Pilot Program.

21 BY repealing and reenacting, without amendments,  
22 Article – Housing and Community Development  
23 Section 1–101(a), (d), and (j)  
24 Annotated Code of Maryland  
25 (2019 Replacement Volume and 2020 Supplement)

26 BY adding to  
27 Article – Housing and Community Development  
28 Section 6–801 through 6–805 to be under the new subtitle “Subtitle 8. Passive House  
29 Pilot Program”

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2019 Replacement Volume and 2020 Supplement)

3 BY repealing and reenacting, without amendments,  
4 Article – State Finance and Procurement  
5 Section 6–226(a)(2)(i)  
6 Annotated Code of Maryland  
7 (2015 Replacement Volume and 2020 Supplement)

8 BY repealing and reenacting, with amendments,  
9 Article – State Finance and Procurement  
10 Section 6–226(a)(2)(ii)122. and 123.  
11 Annotated Code of Maryland  
12 (2015 Replacement Volume and 2020 Supplement)

13 BY adding to  
14 Article – State Finance and Procurement  
15 Section 6–226(a)(2)(ii)124.  
16 Annotated Code of Maryland  
17 (2015 Replacement Volume and 2020 Supplement)

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

20 **Article – Housing and Community Development**

21 1–101.

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

24 (d) “Department” means the Department of Housing and Community  
25 Development.

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

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

28 **6–801.**

29 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
30 INDICATED.

31 (B) “FUND” MEANS THE PASSIVE HOUSE PILOT PROGRAM FUND.

32 (C) “PASSIVE HOUSE” MEANS A BUILDING THAT:

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

3           (2) MEETS THE PASSIVE HOUSE STANDARD CRITERIA.

4           (D) “PASSIVE HOUSE STANDARD” MEANS AN INTERNATIONAL BUILDING  
5 STANDARD DEVELOPED BY THE PASSIVE HOUSE INSTITUTE.

6           (E) “PROGRAM” MEANS THE PASSIVE HOUSE PILOT PROGRAM.

7 **6-802.**

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

9           (B) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

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

15 **6-803.**

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

18           (1) THE ACQUISITION OF ONE OR MORE PROPERTIES FOR  
19 RENOVATION THAT ARE WITHIN CLOSE PROXIMITY OF A HIGH SCHOOL;

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

21           (I) USING COMPONENTS CERTIFIED BY THE PASSIVE HOUSE  
22 INSTITUTE; AND

23           (II) BRINGING THE PROPERTY OR PROPERTIES INTO  
24 COMPLIANCE WITH THE CRITERIA FOR PASSIVE HOUSES AS ESTABLISHED BY THE  
25 PASSIVE HOUSE INSTITUTE;

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

28           (4) ENSURING THAT ANY RENOVATED PROPERTY IS UTILIZED TO  
29 PROVIDE AFFORDABLE HOUSING IN THE NEIGHBORHOOD IN WHICH THE PROPERTY

1 IS LOCATED.

2 (B) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS FOR WHICH A  
3 NONPROFIT ORGANIZATION PARTNERS WITH A HIGH SCHOOL AND INSTITUTIONS OF  
4 HIGHER EDUCATION TO ACCOMPLISH THE PROPOSAL ELEMENTS REQUIRED UNDER  
5 SUBSECTION (A) OF THIS SECTION.

6 6-804.

7 (A) THERE IS A PASSIVE HOUSE PILOT PROGRAM FUND IN THE  
8 DEPARTMENT.

9 (B) THE PURPOSE OF THE FUND IS TO COVER THE FOLLOWING COSTS OF  
10 THE PROGRAM:

11 (1) PROPERTY ACQUISITION COSTS;

12 (2) PROPERTY RENOVATION COSTS, INCLUDING:

13 (I) DEMOLITION OR DECONSTRUCTION COSTS;

14 (II) ARCHITECTURAL AND ENGINEERING DESIGN COSTS;

15 (III) BUILDING MATERIAL COSTS; AND

16 (IV) PASSIVE HOUSE CERTIFICATION COSTS; AND

17 (3) ADMINISTRATIVE COSTS.

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

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

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

25 (E) THE FUND CONSISTS OF:

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

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

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

3           **(F) THE FUND MAY BE USED ONLY FOR THE PURPOSES DESCRIBED UNDER**  
4 **SUBSECTION (B) OF THIS SECTION.**

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

7           **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**  
8 **TO THE FUND.**

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

11 **6-805.**

12           **THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS**  
13 **SUBTITLE.**

14                           **Article – State Finance and Procurement**

15 **6-226.**

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

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

24   122. the Racing and Community Development Financing Fund;

25 **[and]**

26   123. the Racing and Community Development Facilities Fund;

27 **AND**

28   **124. THE PASSIVE HOUSE PILOT PROGRAM FUND.**

29           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2021. It shall remain effective for a period of 4 years and, at the end of September  
31 30, 2025, this Act, with no further action required by the General Assembly, shall be

1 abrogated and of no further force and effect.