

Chapter 466

(House Bill 993)

AN ACT concerning

Child Care Capital Support Revolving Loan Fund – Established

FOR the purpose of establishing the Child Care Capital Support Revolving Loan Fund as a special, nonlapsing fund; requiring interest earnings of the Fund to be credited to the Fund; requiring the ~~State Department of Education~~ Department of Commerce to administer the Fund with support from the State Department of Education; requiring the Department of Commerce to publicize the availability of loans from the Fund; and generally relating to the Child Care Capital Support Revolving Loan Fund.

~~BY repealing and reenacting, without amendments,
Article – Education
Section 1–101(a) and (f)
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)~~

~~BY repealing and reenacting, with amendments,
Article – Education
Section 9.5–907
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)~~

BY adding to
Article – Education
Section ~~9.5–909~~ 9.5–113.1
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2021 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)144. and 145.
Annotated Code of Maryland
(2021 Replacement Volume)

BY adding to

Article – State Finance and Procurement
 Section 6–226(a)(2)(ii)146.
 Annotated Code of Maryland
 (2021 Replacement Volume)

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

Article – Education

~~1–101.~~

~~(a) In this article, unless the context requires otherwise, the following words have the meanings indicated.~~

~~(f) “Department” means the State Department of Education.~~

~~9.5–907.~~

~~Priority in providing awards under §§ 9.5–902 THROUGH 9.5–906 OF this subtitle shall be given to child care providers or programs that published a quality rating level of 2 in the Maryland EXCELS Program on or before June 30, 2022.~~

~~9.5–909.~~ **9.5–113.1.**

(A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FUND” MEANS THE CHILD CARE CAPITAL SUPPORT REVOLVING LOAN FUND.

(3) “RURAL COMMUNITY” HAS THE MEANING STATED IN § 2–207 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(B) THERE IS A CHILD CARE CAPITAL SUPPORT REVOLVING LOAN FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE NO-INTEREST LOANS FOR CAPITAL EXPENSES TO CHILD CARE PROVIDERS WHO PARTICIPATE IN THE CHILD CARE SCHOLARSHIP PROGRAM UNDER § 9.5–113 OF THIS TITLE SUBTITLE.

(D) THE DEPARTMENT OF COMMERCE SHALL ADMINISTER THE FUND WITH SUPPORT FROM THE DEPARTMENT.

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

SHALL BE AVAILABLE IN PERPETUITY FOR THE PURPOSE OF PROVIDING LOANS IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

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

(F) THE FUND CONSISTS OF:

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

(2) ANY INTEREST EARNINGS OF THE FUND;

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

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

(G) (1) THE FUND MAY BE USED ONLY TO PROVIDE NO-INTEREST LOANS TO CHILD CARE PROVIDERS FOR CAPITAL EXPENSES RELATED TO A CHILD CARE FACILITY, INCLUDING:

(I) ACQUISITION;

(II) EXPANSION;

(III) RENOVATIONS; AND

(IV) NEW CONSTRUCTION.

(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, CHILD CARE PROVIDERS SHALL REPAY LOANS FROM THE FUND NOT LATER THAN 5 YEARS AFTER RECEIVING A LOAN FROM THE FUND.

(II) THE DEPARTMENT OF COMMERCE MAY ESTABLISH A FINANCIAL HARDSHIP EXEMPTION TO ALLOW A CHILD CARE PROVIDER ADDITIONAL TIME TO REPAY A LOAN FROM THE FUND.

(III) IF A HARDSHIP EXEMPTION IS NOT GRANTED, THE DEPARTMENT OF COMMERCE SHALL APPLY ITS NORMAL POLICY REGARDING ASSISTING CHILD CARE PROVIDERS WITH PAST DUE LOAN PAYMENTS.

(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 THE FUND.

(I) (1) THE DEPARTMENT OF COMMERCE, IN CONSULTATION WITH THE DEPARTMENT, SHALL ESTABLISH APPLICATION PROCEDURES AND ELIGIBILITY CRITERIA FOR LOANS FROM THE FUND, ~~INCLUDING:~~

~~(1) REQUIRING IN ADDITION TO THE REQUIREMENT THAT A CHILD CARE PROVIDER TO BE A PARTICIPANT IN THE CHILD CARE SCHOLARSHIP PROGRAM UNDER § 9.5-113 OF THIS TITLE; AND~~ SUBTITLE.

(2) ~~GIVING PRIORITY TO CHILD CARE PROVIDERS THAT~~ THE DEPARTMENT SHALL PRIORITIZE APPLICANT CRITERIA IN THE FOLLOWING ORDER WHEN PROVIDING FUNDING FROM THE FUND:

(I) ~~ARE~~ CHILD CARE PROVIDERS THAT ARE LOCATED IN:

1. ~~RURAL COMMUNITIES;~~

~~2.~~ UNDERSERVED COMMUNITIES; OR

~~3. 2. AREAS DESIGNATED BY THE DEPARTMENT AS CHILD CARE DESERTS OR AS~~ AREAS LACKING CHILD CARE SLOTS;

(II) CHILD CARE PROVIDERS THAT ARE LOCATED IN RURAL COMMUNITIES;

(III) ~~SERVE~~ CHILD CARE PROVIDERS THAT SERVE PRIMARILY LOW-INCOME POPULATIONS IN AREAS OF HIGH POVERTY;

~~(III) (IV)~~ ~~SERVE~~ CHILD CARE PROVIDERS THAT SERVE CHILDREN WITH SPECIAL NEEDS; OR AND

~~(IV) (V)~~ ~~SERVE~~ CHILD CARE PROVIDERS THAT SERVE CHILDREN AGES 2 AND YOUNGER.

(J) THE DEPARTMENT OF COMMERCE SHALL WORK WITH THE DEPARTMENT TO PUBLICIZE THE AVAILABILITY OF LOANS FROM THE FUND AND PROVIDE SUPPORT TO CHILD CARE PROVIDERS IN APPLYING FOR LOANS FROM THE FUND.

(K) (1) FOR FISCAL YEAR 2023, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND OF \$15,000,000.

(2) FOR FISCAL YEAR 2024, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND OF \$10,000,000.

~~**(3) FOR FISCAL YEAR 2025, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND OF \$5,000,000.**~~

Article – State Finance and Procurement

6–226.

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

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

144. the Health Equity Resource Community Reserve Fund;

[and]

145. the Access to Counsel in Evictions Special Fund; AND

146. THE CHILD CARE CAPITAL SUPPORT REVOLVING LOAN FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.

Approved by the Governor, May 16, 2022.