

SENATE BILL 865

C8

3lr2728
CF HB 768

By: **Senators Corderman and McKay**

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 10, 2023

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Western Maryland Economic Future Investment**
3 **Board and Senator George C. Edwards Fund – Alterations**

4 FOR the purpose of ~~renaming~~ altering the composition of the Western Maryland Economic
5 Future Investment Board to be the Western Maryland Economic Future Investment
6 Vetting Board; establishing and specifying the purpose of the Western Maryland
7 Economic Future Investment Voting Board; establishing an Executive Director for
8 the ~~Vetting Board and the Voting Board~~; altering the manner in which decisions are
9 made regarding certain proposals for funding; and generally relating to the Western
10 Maryland Economic Future Investment Boards and the Senator George C. Edwards
11 Fund.

12 BY repealing and reenacting, without amendments,
13 Article – Economic Development
14 Section 13–701(a), (c), ~~and (e)~~ (e), and (g)
15 Annotated Code of Maryland
16 (2018 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Economic Development
19 Section 13–736 through 13–741
20 Annotated Code of Maryland
21 (2018 Replacement Volume and 2022 Supplement)

22 BY adding to

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 Article – Economic Development
 2 Section 13–738 ~~and 13–739~~
 3 Annotated Code of Maryland
 4 (2018 Replacement Volume and 2022 Supplement)

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

7 **Article – Economic Development**

8 13–701.

9 (a) In this subtitle the following words have the meanings indicated.

10 (c) “Council” means the Tri–County Council for Western Maryland.

11 (e) “Member county” means each county in the region that pays annual dues that
 12 the Council sets.

13 (g) “Region” means Allegany, Garrett, and Washington counties.

14 13–736.

15 (a) In this part the following words have the meanings indicated.

16 ~~[(b)~~ “Board” means the Western Maryland Economic Future Investment Board
 17 established under § 13–737 of this subtitle.]

18 ~~(B) (C)~~ **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF**
 19 **THE ~~VETTING BOARD AND THE VOTING BOARD.~~**

20 ~~(E) (D)~~ “Fund” means the Senator George C. Edwards Fund established under
 21 [§ 13–738] ~~§ 13–740~~ § 13–739 of this subtitle.

22 ~~(D)~~ **~~“VETTING BOARD” MEANS THE WESTERN MARYLAND ECONOMIC~~**
 23 **~~FUTURE INVESTMENT VETTING BOARD ESTABLISHED UNDER § 13–737 OF THIS~~**
 24 **~~SUBTITLE.~~**

25 ~~(E)~~ **~~“VOTING BOARD” MEANS THE WESTERN MARYLAND ECONOMIC~~**
 26 **~~FUTURE INVESTMENT VOTING BOARD ESTABLISHED UNDER § 13–738 OF THIS~~**
 27 **~~SUBTITLE.~~**

28 13–737.

29 (a) There is a Western Maryland Economic Future Investment ~~VETTING~~ Board.

1 (b) The ~~VETTING~~ Board consists of the following members:

2 (1) one representative from the Department of Commerce, appointed by the
3 Secretary of Commerce, WHO SHALL SERVE AS A NONVOTING MEMBER;

4 [(2) one commissioner from each member county, appointed by each
5 member county's respective commissioners;]

6 [(3) (2) one representative of an economic development organization in
7 each member county, appointed by each member county's respective commissioners, WHO
8 SHALL SERVE AS A NONVOTING MEMBER;

9 [(4) (3) one representative from ~~the~~ [chamber of commerce from each
10 member county, appointed by each member county's respective chamber of commerce]
11 PRIVATE SECTOR IN DISTRICT 1, APPOINTED BY THE SPEAKER OF THE HOUSE, IN
12 CONSULTATION WITH THE DISTRICT 1 DELEGATION TO THE MARYLAND GENERAL
13 ASSEMBLY; and

14 [(5) (4) one representative from ~~the~~ [Maryland Municipal League,
15 appointed by the Executive Director of the League] PRIVATE SECTOR IN DISTRICT 2,
16 APPOINTED BY THE PRESIDENT OF THE SENATE, IN CONSULTATION WITH THE
17 DISTRICT 2 DELEGATION TO THE MARYLAND GENERAL ASSEMBLY;

18 (5) ONE COUNTY COMMISSIONER FROM EACH MEMBER COUNTY;

19 (6) ONE REPRESENTATIVE FROM DISTRICT 1, APPOINTED BY THE
20 PRESIDENT OF THE SENATE, IN CONSULTATION WITH THE DISTRICT 1 DELEGATION
21 TO THE MARYLAND GENERAL ASSEMBLY, WHO SHALL SERVE AS A NONVOTING
22 MEMBER;

23 (7) ONE REPRESENTATIVE FROM DISTRICT 2, IN CONSULTATION
24 WITH THE DISTRICT 2 DELEGATION TO THE MARYLAND GENERAL ASSEMBLY,
25 APPOINTED BY THE SPEAKER OF THE HOUSE, WHO SHALL SERVE AS A NONVOTING
26 MEMBER;

27 (8) THE STATE SENATOR REPRESENTING DISTRICT 1, WHO SHALL
28 SERVE AS AN EX OFFICIO NONVOTING MEMBER;

29 (9) THE STATE SENATOR REPRESENTING DISTRICT 2, WHO SHALL
30 SERVE AS AN EX OFFICIO NONVOTING MEMBER;

31 (10) A MEMBER OF THE HOUSE OF DELEGATES REPRESENTING A
32 SUBDISTRICT IN DISTRICT 1, APPOINTED BY THE SPEAKER OF THE HOUSE, WHO
33 SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER; AND

1 (11) A MEMBER OF THE HOUSE OF DELEGATES REPRESENTING A
 2 SUBDISTRICT IN DISTRICT 2, APPOINTED BY THE SPEAKER OF THE HOUSE, WHO
 3 SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER.

4 (c) The [representative from the Department of Commerce shall] ~~VETTING~~
 5 VOTING MEMBERS OF THE BOARD MAY ELECT A chair [the Board] FROM AMONG ITS
 6 THE BOARD'S MEMBERS.

7 (d) The Council shall provide staff for the ~~VETTING~~ Board.

8 (e) A member of the ~~VETTING~~ Board:

9 (1) may not receive compensation as a member of the Board; but

10 (2) is entitled to reimbursement for expenses under the Standard State
 11 Travel Regulations, as provided in the State budget.

12 ~~(F) THE PRIVATE SECTOR INDIVIDUALS APPOINTED UNDER SUBSECTION~~
 13 ~~(B)(3) AND (4) OF THIS SECTION MAY BE THE SAME INDIVIDUALS AS APPOINTED~~
 14 ~~UNDER § 13-738(B)(2) OF THIS SUBTITLE.~~

15 ~~13-738.~~

16 ~~(A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT~~
 17 ~~VOTING BOARD.~~

18 ~~(B) THE VOTING BOARD CONSISTS OF THE FOLLOWING MEMBERS:~~

19 ~~(1) ONE COMMISSIONER FROM EACH MEMBER COUNTY, APPOINTED~~
 20 ~~BY EACH MEMBER COUNTY'S RESPECTIVE COMMISSIONERS; AND~~

21 ~~(2) THE TWO MEMBERS OF THE VETTING BOARD WHO ARE~~
 22 ~~REPRESENTATIVES FROM THE PRIVATE SECTOR.~~

23 ~~(3) THE CURRENT SENATORS OF DISTRICT 1 AND DISTRICT 2 MAY~~
 24 ~~SERVE AS NONVOTING MEMBERS OF THE VETTING BOARD.~~

25 ~~(C) THE COUNCIL MAY PROVIDE STAFF FOR THE VOTING BOARD.~~

26 ~~(D) A MEMBER OF THE VOTING BOARD:~~

27 ~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;~~

28 ~~BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(E)~~ (F) THE VOTING VOTING MEMBERS OF THE BOARD SHALL HAVE FINAL APPROVAL AUTHORITY ON:

(1) DISBURSEMENTS FROM THE FUND; AND

(2) PROJECTS SELECTED IN ACCORDANCE WITH § ~~13-741~~ 13-740 OF THIS SUBTITLE.

~~(F) THE PRIVATE SECTOR INDIVIDUALS APPOINTED UNDER SUBSECTION (B)(2) OF THIS SECTION MAY BE THE SAME INDIVIDUALS APPOINTED UNDER § 13-737(B)(3) AND (4) OF THIS SUBTITLE.~~

~~13-739.~~ 13-738.

(A) ~~THE VOTING BOARD SHALL APPOINT AN EXECUTIVE DIRECTOR.~~

(B) ~~THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE VETTING BOARD AND THE VOTING BOARD.~~

(C) ~~THE SALARY OF THE EXECUTIVE DIRECTOR SHALL BE UP TO~~ MAY NOT EXCEED \$75,000.

(D) ~~THE EXECUTIVE DIRECTOR SHALL MANAGE THE ADMINISTRATIVE AFFAIRS AND TECHNICAL ACTIVITIES OF THE VETTING BOARD AND THE VOTING BOARD, IN ACCORDANCE WITH POLICIES AND PROCEDURES THE VETTING BOARD AND VOTING BOARD ESTABLISH~~ ESTABLISHES.

(E) ~~THE EXECUTIVE DIRECTOR SHALL:~~

(1) ~~ADMINISTER~~ MAY ASSIST IN ADMINISTERING THE FUND UNDER § ~~13-740~~ 13-739 OF THIS SUBTITLE;

(2) ~~SHALL~~ PRESENT THE PROJECTS SELECTED IN ACCORDANCE WITH § ~~13-741~~ 13-740 OF THIS SUBTITLE AS ~~VETTED BY THE VETTING BOARD TO THE VOTING~~ DETERMINED BY THE VOTING MEMBERS OF THE BOARD; AND

~~(2)~~ (3) ~~SHALL~~ PERFORM ANY OTHER DUTIES THAT THE ~~VETTING BOARD AND THE VOTING BOARD DIRECT~~ DIRECTS IN CARRYING OUT THIS PART.

[13-738.] ~~13-740.~~ 13-739.

(a) There is a Senator George C. Edwards Fund.

1 (b) The purpose of the Fund is to provide grant or loan funding to capital
2 infrastructure projects and business development projects that improve the economic
3 conditions in the region.

4 (c) The ~~[/Council/] EXECUTIVE DIRECTOR~~ shall administer the Fund.

5 (d) (1) The Fund consists of:

6 (i) appropriations as provided in the State budget;

7 (ii) interest or other income earned on the investment of money in
8 the Fund; and

9 (iii) any other money accepted for the benefit of the Fund.

10 (2) In each of fiscal years 2024 through 2026, the Governor shall include in
11 the annual operating or capital budget bill an appropriation of at least \$10,000,000 to the
12 Fund.

13 (e) Money in the Fund may be used only to:

14 (1) award grants and provide loans to capital infrastructure projects and
15 business development projects to improve the economic conditions in the region; and

16 (2) pay the costs necessary to administer the Fund, **INCLUDING PAYING**
17 **THE SALARY OF THE EXECUTIVE DIRECTOR.**

18 (f) (1) The Fund is a special, nonlapsing fund that is not subject to reversion
19 under § 7–302 of the State Finance and Procurement Article.

20 (2) The State Treasurer shall hold the Fund separately, and the
21 Comptroller shall account for the Fund.

22 (3) The State Treasurer shall invest the money in the Fund in the same
23 manner as other State money may be invested.

24 (4) Any investment earnings of the Fund shall be credited to the Fund.

25 ~~[13–739.] 13–741.~~ **13–740.**

26 (a) A member county or local entity within a member county may submit a
27 proposal for funding under this part.

28 (b) To qualify for funding, a project shall be:

29 (1) a capital infrastructure project that:

1 (i) is linked to economic development in the region, as approved by
2 the ~~VETTING~~ Board; and

3 (ii) receives 20% matching funds from the member county where the
4 project is located, another local entity, a private business, or a combination thereof;

5 (2) a business development project that:

6 (i) encourages and promotes downtown neighborhood
7 revitalization, small business tourism, or other areas as approved by the ~~VETTING~~ Board;
8 and

9 (ii) receives 10% matching funds from the member county where the
10 project is located, another local entity, a private business, or a combination thereof; or

11 (3) any other project that the ~~VETTING~~ Board determines is appropriate
12 to promote economic development in the region.

13 (c) (1) (i) The ~~VETTING~~ Board shall develop criteria to review, evaluate,
14 and rate project proposals for funding under this part.

15 (ii) The criteria in subparagraph (i) of this paragraph shall ensure
16 that the project:

- 17 1. creates or retains jobs;
- 18 2. creates or retains businesses;
- 19 3. increases wages; or
- 20 4. creates new State or local tax revenue.

21 (2) **(I) ~~THE VOTING BOARD SHALL CHOOSE WHICH PROJECTS TO~~**
22 **AWARD GRANTS AND LOANS TO BASED ON THE CRITERIA DEVELOPED IN**
23 **ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.**

24 **(II) The ~~VETTING~~ Board OR THE EXECUTIVE DIRECTOR shall**
25 **distribute grants and loans to projects based on [the criteria developed in accordance with**
26 **paragraph (1) of this subsection] ~~THE DECISIONS MADE BY THE VOTING BOARD IN~~**
27 **ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

28 (d) (1) The ~~VETTING~~ Board **OR THE EXECUTIVE DIRECTOR** shall monitor
29 and track the progress of each project that receives funding under this part.

1 (2) If the ~~VETTING~~ Board determines that sufficient progress is not being
2 made toward achieving the requirements of this section, the ~~VETTING~~ Board may reclaim
3 the awarded funds.

4 (e) The funding provided in this section shall be used to supplement and not
5 supplant any funds that would otherwise be provided to the ~~VETTING~~ Board or the member
6 counties.

7 [13-740.] ~~13-742.~~ 13-741.

8 (a) On or before December 31 each year, the ~~VETTING~~ Board shall report to the
9 Governor and, in accordance with § 2-1257 of the State Government Article, the General
10 Assembly on the implementation of this part.

11 (b) The report required in subsection (a) of this section shall include,
12 disaggregated by member county:

13 (1) the number of new projects funded during the previous year;

14 (2) the number of projects that were completed during the previous year;

15 (3) the number of ongoing projects that were not completed during the
16 previous year;

17 (4) the amount and type of funding received by each project;

18 (5) the current status of each ongoing project; and

19 (6) any other relevant economic metrics determined by the ~~VETTING~~
20 Board.

21 [13-741.] ~~13-743.~~ 13-742.

22 The ~~VETTING~~ Board shall adopt regulations to carry out this part.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 ~~October~~ June 1, 2023.