

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

A BILL ENTITLED

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

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

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

21 BY adding to
22 Article – Economic Development
23 Section 13–738 and 13–739
24 Annotated Code of Maryland
25 (2018 Replacement Volume and 2022 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Economic Development

13–701.

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

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

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

13–736.

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

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

(B) “EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE VETTING BOARD AND THE VOTING BOARD.

(c) “Fund” means the Senator George C. Edwards Fund established under [§ 13–738] **§ 13–740** of this subtitle.

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

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

13–737.

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

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

(1) one representative from the Department of Commerce, appointed by the Secretary of Commerce;

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

1 **[(3)] (2)** one representative of an economic development organization in
2 each member county, appointed by each member county's respective commissioners;

3 **[(4)] (3)** one representative from the [chamber of commerce from each
4 member county, appointed by each member county's respective chamber of commerce]
5 **PRIVATE SECTOR IN DISTRICT 1, APPOINTED BY THE DISTRICT 1 DELEGATION TO**
6 **THE MARYLAND GENERAL ASSEMBLY; and**

7 **[(5)] (4)** one representative from the [Maryland Municipal League,
8 appointed by the Executive Director of the League] **PRIVATE SECTOR IN DISTRICT 2,**
9 **APPOINTED BY THE DISTRICT 2 DELEGATION TO THE MARYLAND GENERAL**
10 **ASSEMBLY.**

11 (c) The [representative from the Department of Commerce shall] **VETTING**
12 **BOARD MAY ELECT A chair [the Board] FROM AMONG ITS MEMBERS.**

13 (d) The Council shall provide staff for the **VETTING** Board.

14 (e) A member of the **VETTING** Board:

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

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

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

21 **13-738.**

22 **(A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT**
23 **VOTING BOARD.**

24 **(B) THE VOTING BOARD CONSISTS OF THE FOLLOWING MEMBERS:**

25 **(1) ONE COMMISSIONER FROM EACH MEMBER COUNTY, APPOINTED**
26 **BY EACH MEMBER COUNTY'S RESPECTIVE COMMISSIONERS; AND**

27 **(2) THE TWO MEMBERS OF THE VETTING BOARD WHO ARE**
28 **REPRESENTATIVES FROM THE PRIVATE SECTOR.**

29 **(3) THE CURRENT SENATORS OF DISTRICT 1 AND DISTRICT 2 MAY**
30 **SERVE AS NONVOTING MEMBERS OF THE VETTING BOARD.**

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

2 (D) A MEMBER OF THE VOTING BOARD:

3 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;
4 BUT

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

7 (E) THE VOTING BOARD SHALL HAVE FINAL APPROVAL AUTHORITY ON:

8 (1) DISBURSEMENTS FROM THE FUND; AND

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

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

14 13-739.

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

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

18 (C) THE SALARY OF THE EXECUTIVE DIRECTOR SHALL BE UP TO \$75,000.

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

23 (E) THE EXECUTIVE DIRECTOR SHALL:

24 (1) ADMINISTER THE FUND UNDER § 13-740 OF THIS SUBTITLE;

25 (2) PRESENT THE PROJECTS SELECTED IN ACCORDANCE WITH §
26 13-741 OF THIS SUBTITLE AS VETTED BY THE VETTING BOARD TO THE VOTING
27 BOARD; AND

1 **(2) PERFORM ANY OTHER DUTIES THAT THE VETTING BOARD AND**
2 **THE VOTING BOARD DIRECT IN CARRYING OUT THIS PART.**

3 **[13–738.] 13–740.**

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

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

8 (c) The [Council] **EXECUTIVE DIRECTOR** shall administer the Fund.

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

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

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

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

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

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

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

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

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

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

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

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

1 [13-739.] **13-741.**

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

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

5 (1) a capital infrastructure project that:

6 (i) is linked to economic development in the region, as approved by
7 the **VETTING** Board; and

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

10 (2) a business development project that:

11 (i) encourages and promotes downtown neighborhood
12 revitalization, small business tourism, or other areas as approved by the **VETTING** Board;
13 and

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

16 (3) any other project that the **VETTING** Board determines is appropriate
17 to promote economic development in the region.

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

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

22 1. creates or retains jobs;

23 2. creates or retains businesses;

24 3. increases wages; or

25 4. creates new State or local tax revenue.

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

29 **(II)** The **VETTING** Board shall distribute grants and loans to projects

1 based on [the criteria developed in accordance with paragraph (1) of this subsection] **THE**
2 **DECISIONS MADE BY THE VOTING BOARD IN ACCORDANCE WITH SUBPARAGRAPH (I)**
3 **OF THIS PARAGRAPH.**

4 (d) (1) The **VETTING** Board shall monitor and track the progress of each
5 project that receives funding under this part.

6 (2) If the **VETTING** Board determines that sufficient progress is not being
7 made toward achieving the requirements of this section, the **VETTING** Board may reclaim
8 the awarded funds.

9 (e) The funding provided in this section shall be used to supplement and not
10 supplant any funds that would otherwise be provided to the **VETTING** Board or the member
11 counties.

12 **[13-740.] 13-742.**

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

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

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

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

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

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

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

24 (6) any other relevant economic metrics determined by the **VETTING**
25 Board.

26 **[13-741.] 13-743.**

27 The **VETTING** Board shall adopt regulations to carry out this part.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2023.