

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 861

(Senator Corderman)

Budget and Taxation and Finance

Ways and Means

Economic Development - Western Maryland Economic Future Investment Board
and Senator George C. Edwards Fund - Alterations

This bill alters the Western Maryland Economic Future Investment Program by (1) modifying the membership of the Western Maryland Economic Future Investment Board; (2) altering the purpose and eligible uses of money in the Senator George C. Edwards Fund; and (3) altering project evaluation criteria. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill does not alter State funding for the program and, therefore, does not materially affect State finances or operations. Any funding provided after FY 2026 remains discretionary.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

General Administrative Structure

Current Law: Chapters 62 and 63 of 2022 established the Western Maryland Economic Future Investment Program and board and the Senator George C. Edwards Fund. The Tri-County Council for Western Maryland must staff the board and administer the fund. A

(council) member county or local entity within a member county may apply for funding, as specified.

The Bill: The board membership is reduced, as specified. A member of the General Assembly may not serve as a member of the board. The general administrative structure of the program is otherwise unchanged.

Fund Purpose and Eligible Uses

Current Law: The purpose of the Senator George C. Edwards Fund is to provide grants and loans for capital infrastructure projects and business development projects that improve economic conditions in the (Western Maryland) region; it may only be used for that purpose and administrative expenses.

The Bill: The purpose of the fund is to create jobs and significant economic development opportunities in the region. Money in the fund may only be used to award grants and provide loans for that purpose and administrative expenses.

Project Eligibility and Evaluation Criteria

Current Law: A member county or local entity within a member county may submit a proposal for funding under the program. To qualify, a project must be:

- a capital infrastructure project that (1) is linked to economic development in the region, as approved by the board and (2) receives 20% matching funds from the member county where the project is located, another local entity, a private business, or a combination thereof;
- a business development project that (1) encourages and promotes downtown neighborhood revitalization, small business tourism, or other areas as approved by the board and (2) receives 10% matching funds from the member county where the project is located, another local entity, a private business, or a combination thereof; or
- any other project that the board determines is appropriate to promote economic development in the region.

The board must develop criteria to review, evaluate, and rate project proposals for funding under the program and must distribute funding in accordance with those criteria; however, the criteria must ensure that the project creates or retains jobs, creates or retains businesses, increases wages, or creates new State or local tax revenue.

The board or its Executive Director must monitor and track the progress of each project that receives funding. If the board determines that sufficient progress is not being made

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toward achieving program requirements, the board may reclaim the awarded funds. The funding provided under the program must be used to supplement, and not supplant, any funds that would otherwise be provided to the board or the member counties.

The Bill: The bill does not make a direct change to the basic project eligibility criteria or ongoing project monitoring requirements. However, the board evaluation criteria are modified so that the board must ensure that the project (1) creates or retains at least 25 jobs, or at least 10 jobs that pay more than 120% of the State minimum wage or (2) creates significant population growth in the county or municipality in which the project is located, as certified to the board by the applicable county commissioners or municipal government.

Funding

Current Law: From fiscal 2024 through 2026, the Governor must annually include an appropriation of at least \$10.0 million to the fund in the State operating or capital budget.

The Bill: No change to the existing mandated appropriation.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1459 (Delegate Buckel, *et al.*) - Ways and Means.

Information Source(s): Department of Commerce; Department of Budget and Management; Washington County; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2025
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