

HOUSE BILL 461

C8

6lr1486
CF SB 300

By: **Delegates Ziegler, Adams, Behler, Fair, Foley, Ghrist, Guyton, Kerr, Patterson, Qi, Queen, and Sample-Hughes**

Introduced and read first time: January 23, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Rural Readiness Program and Rural Maryland**
3 **Capacity Building Fund – Establishment**

4 FOR the purpose of establishing the Rural Readiness Program administered by the Rural
5 Maryland Council to provide assistance to rural communities to enhance their
6 capacity for economic development; requiring priority to be given when making
7 certain grants to entities that have completed the Rural Readiness Program;
8 establishing the Rural Maryland Capacity Building Fund as a special, nonlapsing
9 fund to be administered by the Council to provide grants to support certain planning
10 and capacity building initiatives; and generally relating to rural communities.

11 BY renumbering

12 Article – Economic Development
13 Section 13–416
14 to be Section 13–417
15 Annotated Code of Maryland
16 (2024 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Economic Development
19 Section 13–401
20 Annotated Code of Maryland
21 (2024 Replacement Volume and 2025 Supplement)

22 BY adding to

23 Article – Economic Development
24 Section 13–416
25 Annotated Code of Maryland
26 (2024 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – State Finance and Procurement
3 Section 2–206(e)(1) and 2–207(c)(1) and (g)(2)(i)
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2025 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – State Finance and Procurement
8 Section 2–206(e)(5)
9 Annotated Code of Maryland
10 (2021 Replacement Volume and 2025 Supplement)

11 BY adding to
12 Article – State Finance and Procurement
13 Section 2–207.1
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2025 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That Section(s) 13–416 of Article – Economic Development of the Annotated Code of
18 Maryland be renumbered to be Section(s) 13–417.

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
20 as follows:

21 **Article – Economic Development**

22 13–401.

23 In this subtitle, “Council” means the Rural Maryland Council.

24 **13–416.**

25 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.**

27 **(2) (I) “ELIGIBLE APPLICANT” MEANS:**

28 **1. A NONPROFIT ORGANIZATION;**

29 **2. A UNIT OF LOCAL GOVERNMENT;**

30 **3. A STATE-RECOGNIZED TRIBE;**

31 **4. AN INSTITUTION OF HIGHER EDUCATION IN THE
32 STATE;**

1 5. A REGIONAL PLANNING AGENCY; OR

2 6. AN ECONOMIC OR WORKFORCE DEVELOPMENT
3 ORGANIZATION.

4 (II) "ELIGIBLE APPLICANT" DOES NOT INCLUDE STATE
5 GOVERNMENTAL ENTITIES.

6 (3) "PROGRAM" MEANS THE RURAL READINESS PROGRAM.

7 (4) "RURAL COMMUNITY" HAS THE MEANING STATED IN § 2-207 OF
8 THE STATE FINANCE AND PROCUREMENT ARTICLE.

9 (B) THE GENERAL ASSEMBLY FINDS THAT:

10 (1) RURAL COMMUNITIES ARE OFTEN DISADVANTAGED WHEN
11 COMPETING FOR FINANCIAL AND OTHER RESOURCES DUE TO:

12 (I) A LACK OF CAPACITY AND POPULATION DENSITY
13 RESULTING IN LIMITED RESOURCES DUE TO A SMALLER TAX BASE; AND

14 (II) LIMITED ACCESS TO CRITICAL INFRASTRUCTURE,
15 INCLUDING BROADBAND AND TRANSPORTATION;

16 (2) A DEFICIENCY EXISTS IN THE ESSENTIAL ELEMENTS NEEDED FOR
17 RURAL COMMUNITIES TO THRIVE AND ADDRESS THE NEEDS OF THE RURAL
18 COMMUNITY;

19 (3) RURAL COMMUNITIES STRUGGLE TO RECRUIT AND RETAIN
20 SKILLED STAFF NEEDED TO IMPLEMENT AND MANAGE PROJECTS PARTICULARLY IN
21 TECHNICAL SUPPORT FOR ECONOMIC AND COMMUNITY DEVELOPMENT;

22 (4) RURAL COMMUNITIES EXPERIENCE CHALLENGES IN SOCIAL
23 COHESION AND NETWORKS THAT MAKE IT HARD TO MOBILIZE RESOURCES AND
24 COLLECTIVELY ADDRESS ISSUES;

25 (5) THE POPULATION OF RURAL COMMUNITIES IS LIKELY TO BE
26 OLDER, POORER, AND SICKER DUE TO AGE AND AN OUTMIGRATION OF YOUNGER
27 PEOPLE; AND

4 (c) THERE IS A RURAL READINESS PROGRAM ADMINISTERED BY THE
5 COUNCIL.

6 (D) (1) THE PURPOSE OF THE PROGRAM IS TO ENHANCE THE CAPACITY
7 IN RURAL COMMUNITIES FOR ECONOMIC DEVELOPMENT BY ASSISTING ELIGIBLE
8 APPLICANTS ACCEPTED INTO THE PROGRAM WITH GRANT APPLICATIONS AND
9 DEVELOPING PROJECTS THAT GENERATE REVENUE.

10 (2) THE COUNCIL SHALL ESTABLISH ASSESSMENTS, TOOLKITS, AND
11 OTHER RESOURCES TO SUPPORT THE PURPOSE OF THE PROGRAM.

12 (E) (1) ELIGIBLE APPLICANTS MAY APPLY TO THE COUNCIL TO
13 PARTICIPATE IN THE PROGRAM.

(2) THE COUNCIL'S EXECUTIVE BOARD SHALL ESTABLISH:

15 (I) CRITERIA TO EVALUATE ELIGIBLE APPLICANTS FOR
16 ACCEPTANCE INTO THE PROGRAM; AND

17 (II) PARTICIPATION GUIDELINES.

18 (F) (1) THE COUNCIL'S EXECUTIVE DIRECTOR SHALL CERTIFY THE
19 ELIGIBLE APPLICANTS THAT HAVE SUCCESSFULLY COMPLETED THE PROGRAM.

Article – State Finance and Procurement

2 2–206.

3 (e) (1) There is a Maryland Agricultural Education and Rural Development
4 Assistance Board.

5 (5) The Board shall give funding priority to organizations described in
6 subsection (c)(2)(i) of this section that have:

7 (i) obtained an equal matching amount of funding from a source
8 other than the State in the immediate prior fiscal year; [or]

9 (ii) sufficient evidence of a commitment of a third party funding
10 source to provide an equal matching amount of funding in the current fiscal year; OR

11 **(III) RECEIVED A COMPLETION CERTIFICATE UNDER § 13–416**
12 **OF THE ECONOMIC DEVELOPMENT ARTICLE.**

13 2–207.

14 (c) (1) There is a Rural Maryland Prosperity Investment Fund.

15 (g) (2) (i) Subject to subparagraph (ii) of this paragraph, the Board shall
16 award grants from the Fund under subsection (f)(1)(ii) of this section on a competitive basis
17 in accordance with the procedures in § 2–206(e) of this subtitle.

18 **2–207.1.**

19 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
20 **INDICATED.**

21 (2) **“BOARD” MEANS THE MARYLAND AGRICULTURAL EDUCATION**
22 **AND RURAL DEVELOPMENT ASSISTANCE BOARD ESTABLISHED IN § 2–206 OF THIS**
23 **SUBTITLE.**

24 (3) **“COUNCIL” MEANS THE RURAL MARYLAND COUNCIL**
25 **ESTABLISHED UNDER TITLE 13, SUBTITLE 4 OF THE ECONOMIC DEVELOPMENT**
26 **ARTICLE.**

27 (4) **“ELIGIBLE APPLICANT” HAS THE MEANING STATED IN § 13–416**
28 **OF THE ECONOMIC DEVELOPMENT ARTICLE.**

29 (5) **“FUND” MEANS THE RURAL MARYLAND CAPACITY BUILDING**
30 **FUND.**

(6) "RURAL COMMUNITY" HAS THE MEANING STATED IN § 2-207 OF THIS SUBTITLE.

10 (II) THE STATE TREASURER SHALL HOLD THE FUND
11 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

12 (5) THE FUND CONSISTS OF:

15 (II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
16 FOR THE BENEFIT OF THE FUND.

17 (6) THE FUND MAY BE USED ONLY FOR GRANTS PROVIDED UNDER
18 THIS SECTION.

21 (II) ANY INTEREST EARNINGS OF THE FUND SHALL BE
22 CREDITED TO THE GENERAL FUND OF THE STATE.

23 (8) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN
24 ACCORDANCE WITH THE STATE BUDGET.

25 (c) (1) THE BOARD SHALL:

26 (I) ESTABLISH PROCEDURES FOR APPLICATIONS FOR GRANTS
27 PROVIDED UNDER THIS SECTION;

(II) REVIEW APPLICATIONS FOR GRANTS; AND

(III) APPROVE GRANT RECIPIENTS AND THE AMOUNT OF THE

(3) GRANTS SHALL BE AWARDED ON A COMPETITIVE BASIS.

(4) THE BOARD SHALL GIVE PRIORITY TO ELIGIBLE APPLICANTS
:

(I) MULTIJURISDICTIONAL AND MULTISECTOR PROJECTS; AND

(II) PROVIDED SUFFICIENT EVIDENCE OF A COMMITMENT TO A
OF AT LEAST 20% OF THE GRANT AMOUNT.

(5) A GRANT AMOUNT MAY NOT EXCEED \$50,000.

14 (D) ELIGIBLE APPLICANTS MUST APPLY FOR A GRANT IN A MANNER
15 CONSISTENT WITH THE PROCEDURES ESTABLISHED BY THE BOARD.

(E) (1) GRANT FUNDS MAY BE USED TO SUPPORT:

(I) COLLABORATIVE PLANNING AND CAPACITY BUILDING AT ADVANCE EFFORTS TO ADDRESS THE NEEDS OF RURAL INCLUDING:

1. HOUSING:

2. BROADBAND SERVICES:

3. PLACEMAKING:

4. ENERGY:

5. TRANSPORTATION:

6. HEALTH:

7. INFRASTRUCTURE:

1 **8. ECONOMIC DEVELOPMENT; AND**

2 **9. WORKFORCE;**

3 **(II) READINESS FOR INVESTMENT IN AND DEVELOPMENT OF A**
4 **RURAL COMMUNITY OR PROPERTY IN A RURAL COMMUNITY, INCLUDING:**

5 **1. DEVELOPMENT OF PROPERTY INVENTORIES;**

6 **2. SITE DEVELOPMENT STUDIES;**

7 **3. SITE MATERIAL DEVELOPMENT;**

8 **4. SITE IMPLEMENTATION OR LAND ASSEMBLY**

9 **ACTIVITIES; AND**

10 **5. FEASIBILITY OR MARKET STUDIES;**

11 **(III) PARTNERSHIPS AND PLANNING TO BUILD READINESS FOR**

12 **FUTURE PROJECTS AND COLLABORATIVE INITIATIVES; AND**

13 **(IV) CROSS-SECTOR COLLABORATION FOR COMMUNITY AND**

14 **STAKEHOLDER ENGAGEMENT THAT FOSTERS PLANNING AND DIALOGUE.**

15 **(2) GRANT FUNDS MAY NOT BE USED TO:**

16 **(I) PAY OR REIMBURSE THE GRANTEE FOR EMPLOYEE SALARY,**

17 **WAGES, BENEFITS, OR OTHER INDIRECT COSTS OF THE GRANTEE THAT ARE NOT**

18 **RELATED TO THE PROJECT FOR WHICH A GRANT WAS AWARDED;**

19 **(II) FUND OPERATIONAL ACTIVITIES AT A FOR-PROFIT ENTITY;**

20 **(III) PURCHASE OR LEASE REAL PROPERTY; OR**

21 **(IV) SUPPORT A NONRURAL AREA.**

22 **(F) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COUNCIL SHALL SUBMIT**

23 **TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE**

24 **GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT ON:**

25 **(1) THE NUMBER OF GRANTS MADE IN THE PREVIOUS FISCAL YEAR;**

1 **(2) THE NAME OF EACH GRANT RECIPIENT; AND**

2 **(3) THE PURPOSE AND USE OF EACH GRANT.**

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2026.