

SENATE BILL 300

C8

6lr1867

CF 6lr1486

By: **Senators Hester, Gillion, Gile, Harris, West, Henson, Brooks, and Carozza**

Introduced and read first time: January 21, 2026

Assigned to: Finance

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)

27 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Finance and Procurement
Section 2–206(e)(1) and 2–207(c)(1) and (g)(2)(i)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

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

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

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

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

Article – Economic Development

21 13-401.

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

23 13-416.

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

26 (2) (I) "ELIGIBLE APPLICANT" MEANS:

1. A NONPROFIT ORGANIZATION:

2 A UNIT OF LOCAL GOVERNMENT:

²⁹ A STATE-RECOGNIZED TRIBE;

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**

28 **(6) NOT ADDRESSING THE CHALLENGES OF RURAL COMMUNITIES**
29 **WILL MANIFEST AS DISPARITIES IN HEALTH CARE ACCESS, EDUCATIONAL**
30 **ATTAINMENT, ECONOMIC OPPORTUNITIES, AND INFRASTRUCTURE DEVELOPMENT.**

1 (C) THERE IS A RURAL READINESS PROGRAM ADMINISTERED BY THE
2 COUNCIL.

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

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

9 (E) (1) ELIGIBLE APPLICANTS MAY APPLY TO THE COUNCIL TO
10 PARTICIPATE IN THE PROGRAM.

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

12 (I) CRITERIA TO EVALUATE ELIGIBLE APPLICANTS FOR
13 ACCEPTANCE INTO THE PROGRAM; AND

14 (II) PARTICIPATION GUIDELINES.

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

17 (2) ELIGIBLE APPLICANTS THAT HAVE RECEIVED A COMPLETION
18 CERTIFICATE SHALL BE GIVEN PRIORITY FOR THE FOLLOWING GRANT PROGRAMS:

19 (I) THE MARYLAND AGRICULTURAL EDUCATION AND RURAL
20 DEVELOPMENT ASSISTANCE FUND ESTABLISHED UNDER § 2-206 OF THE STATE
21 FINANCE AND PROCUREMENT ARTICLE;

22 (II) THE RURAL MARYLAND PROSPERITY INVESTMENT FUND
23 ESTABLISHED UNDER § 2-207 OF THE STATE FINANCE AND PROCUREMENT
24 ARTICLE; AND

25 (III) THE RURAL MARYLAND CAPACITY BUILDING FUND
26 ESTABLISHED UNDER § 2-207.1 OF THE STATE FINANCE AND PROCUREMENT
27 ARTICLE.

28 Article – State Finance and Procurement

29 2-206.

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

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

9 (III) RECEIVED A COMPLETION CERTIFICATE UNDER § 13-416
10 OF THE ECONOMIC DEVELOPMENT ARTICLE.

11 2-207.

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

16 2-207.1.

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

22 (3) "COUNCIL" MEANS THE RURAL MARYLAND COUNCIL
23 ESTABLISHED UNDER TITLE 13, SUBTITLE 4 OF THE ECONOMIC DEVELOPMENT
24 ARTICLE

25 (4) "ELIGIBLE APPLICANT" HAS THE MEANING STATED IN § 13-416
26 OF THE ECONOMIC DEVELOPMENT ARTICLE

(5) "FUND" MEANS THE RURAL MARYLAND CAPACITY BUILDING FUND.

1 **(B) (1) THERE IS A RURAL MARYLAND CAPACITY BUILDING FUND.**

2 **(2) THE PURPOSE OF THE FUND IS TO SUPPORT COLLABORATIVE**
3 **PLANNING AND CAPACITY BUILDING INITIATIVES THAT ADDRESS THE NEEDS OF**
4 **RURAL COMMUNITIES.**

5 **(3) THE COUNCIL SHALL ADMINISTER THE FUND.**

6 **(4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
7 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8 **(II) THE STATE TREASURER SHALL HOLD THE FUND**
9 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

10 **(5) THE FUND CONSISTS OF:**

11 **(I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE**
12 **FUND; AND**

13 **(II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**
14 **FOR THE BENEFIT OF THE FUND.**

15 **(6) THE FUND MAY BE USED ONLY FOR GRANTS PROVIDED UNDER**
16 **THIS SECTION.**

17 **(7) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
18 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

19 **(II) ANY INTEREST EARNINGS OF THE FUND SHALL BE**
20 **CREDITED TO THE GENERAL FUND OF THE STATE.**

21 **(8) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**
22 **ACCORDANCE WITH THE STATE BUDGET.**

23 **(C) (1) THE BOARD SHALL:**

24 **(I) ESTABLISH PROCEDURES FOR APPLICATIONS FOR GRANTS**
25 **PROVIDED UNDER THIS SECTION;**

26 **(II) REVIEW APPLICATIONS FOR GRANTS; AND**

27 **(III) APPROVE GRANT RECIPIENTS AND THE AMOUNT OF THE**
28 **GRANT AWARD.**

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

5 (4) THE BOARD SHALL GIVE PRIORITY TO ELIGIBLE APPLICANTS
6 THAT HAVE:

7 (I) MULTIJURISDICTIONAL AND MULTISECTOR PROJECTS; AND

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

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

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

1. HOUSING:

2. BROADBAND SERVICES:

3. PLACEMAKING:

20 4. ENERGY:

21 5. TRANSPORTATION:

22 6 HEALTH:

23 7 INFRASTRUCTURE:

24 8 ECONOMIC DEVELOPMENT: AND

25 9 WORKFORCE:

11 (IV) CROSS-SECTOR COLLABORATION FOR COMMUNITY AND
12 STAKEHOLDER ENGAGEMENT THAT FOSTERS PLANNING AND DIALOGUE.

13 (2) GRANT FUNDS MAY NOT BE USED TO:

14 (I) PAY OR REIMBURSE THE GRANTEE FOR EMPLOYEE SALARY,
15 WAGES, BENEFITS, OR OTHER INDIRECT COSTS OF THE GRANTEE THAT ARE NOT
16 RELATED TO THE PROJECT FOR WHICH A GRANT WAS AWARDED;

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

(III) PURCHASE OR LEASE REAL PROPERTY; OR

19 (IV) SUPPORT A NONRURAL AREA.

(1) THE NUMBER OF GRANTS MADE IN THE PREVIOUS FISCAL YEAR:

24 (2) THE NAME OF EACH GRANT RECIPIENT; AND

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