

SENATE BILL 3

C8

(PRE-FILED)

9lr0797
CF HB 117

By: **Senator Rosapepe**

Requested: November 20, 2018

Introduced and read first time: January 9, 2019

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2019

CHAPTER _____

1 AN ACT concerning

2 **Maryland Smart Growth Investment Fund – Supplementary Appropriation**

3 FOR the purpose of authorizing the Department of Commerce to create, own, control, or be
4 a member of a certain entity for certain purposes; requiring the Department to issue
5 a request for proposals to select a management entity to establish the Maryland
6 Smart Growth Investment Fund; ~~requiring the Governor to include in the annual~~
7 ~~budget bill for certain fiscal years a certain appropriation for the Fund;~~ providing
8 that the Department is not required to invest certain ~~appropriated~~ funds in the Fund
9 if the committed capital in the Fund is less than a certain amount on a certain date;
10 authorizing the creation of a State debt in a certain amount, the proceeds to be
11 provided to the Fund to be used for certain purposes; providing generally for the
12 issuance and sale of bonds evidencing the loan; imposing a certain tax on all
13 assessable property in the State; providing for a delayed effective date for certain
14 provisions of this Act; defining a certain term; and generally relating to the Maryland
15 Smart Growth Investment Fund.

16 BY adding to

17 Article – Economic Development

18 Section 5-1701 to be under the new subtitle “Subtitle 17. Miscellaneous Economic
19 Development Funds”

20 Annotated Code of Maryland

21 (2018 Replacement Volume)

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

3 **Article – Economic Development**

4 **SUBTITLE 17. MISCELLANEOUS ECONOMIC DEVELOPMENT FUNDS.**

5 **5-1701.**

6 (A) IN THIS SECTION, “FUND” MEANS THE MARYLAND SMART GROWTH
7 INVESTMENT FUND ESTABLISHED IN ACCORDANCE WITH:

8 (1) THE RECOMMENDATIONS OF THE MARYLAND SMART GROWTH
9 INVESTMENT FUND WORKGROUP; AND

10 (2) THE REQUEST FOR PROPOSALS ISSUED BY THE DEPARTMENT
11 UNDER SUBSECTION (C) OF THIS SECTION.

12 (B) TO CARRY OUT THIS SUBTITLE, THE DEPARTMENT MAY CREATE, OWN,
13 CONTROL, OR BE A MEMBER OF A CORPORATION, A LIMITED LIABILITY COMPANY, A
14 PARTNERSHIP, OR ANY OTHER ENTITY, WHETHER OPERATED FOR PROFIT OR NOT
15 FOR PROFIT.

16 (C) THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS TO
17 SELECT A MANAGEMENT ENTITY TO ESTABLISH AN INVESTMENT FUND THAT IS:

18 (1) BASED ON THE RECOMMENDATIONS IN THE DECEMBER 2013
19 REPORT OF THE MARYLAND SMART GROWTH INVESTMENT FUND WORKGROUP;
20 AND

21 (2) ~~DESIGNED TO MEET THE REQUIREMENTS FOR A QUALIFIED~~
22 ~~OPPORTUNITY FUND UNDER THE FEDERAL TAX CUTS AND JOBS ACT OF 2017 FOR~~
23 ~~THE PURPOSE OF INVESTING IN STATE PRIORITY FUNDING AREAS, AS DEFINED IN §~~
24 ~~6-301 OF THIS ARTICLE.~~

25 (D) ~~FOR FISCAL YEAR 2021, THE GOVERNOR SHALL INCLUDE IN THE~~
26 ~~ANNUAL BUDGET BILL AN APPROPRIATION OF \$7,000,000 FOR THE FUND.~~

27 ~~(E)~~ THE DEPARTMENT IS NOT REQUIRED TO INVEST THE FUNDS
28 ~~APPROPRIATED UNDER SUBSECTION (D) OF THIS SECTION~~ IN THE FUND THAT ARE
29 ~~ATTRIBUTABLE TO THE PROCEEDS OF THE BONDS AUTHORIZED UNDER SECTION 2~~
30 ~~OF CHAPTER (SENATE BILL 3) OF THE ACTS OF THE GENERAL ASSEMBLY OF~~
31 ~~2019~~ IF THE COMMITTED CAPITAL IN THE FUND IS LESS THAN \$25,000,000 ON
32 ~~DECEMBER 31, 2021.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) The Board of Public Works may borrow money and incur indebtedness on behalf of the State of Maryland through a State loan to be known as the Maryland Smart Growth Investment Loan of 2020 in the total principal amount of \$7,000,000. This loan shall be evidenced by the issuance, sale, and delivery of State general obligation bonds authorized by a resolution of the Board of Public Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 and 8-131.2 of the State Finance and Procurement Article.

(2) The bonds to evidence this loan or installments of this loan may be sold as a single issue of bonds under § 8-122 of the State Finance and Procurement Article.

(3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer and first shall be applied to the payment of the expenses of issuing, selling, and delivering the bonds, unless funds for this purpose are otherwise provided, and then shall be credited on the books of the Comptroller and expended on approval by the Board of Public Works, for the following public purposes:

DEPARTMENT OF COMMERCE

(A) Maryland Smart Growth Investment Fund. Provide funds to the Department of Commerce to be used in accordance with § 5-1701 of the Economic Development Article 7,000,000

(4) An annual tax is imposed on all assessable property in the State in rate and amount sufficient to pay the principal of and interest on the bonds, as and when due and until paid in full. The principal shall be discharged within 15 years after the date of issue of the bonds.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect June 1, 2020.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect June 1, 2019.