

SENATE BILL 636

C8
SB 946/20 – EHE & B&T

11r2492
CF HB 1073

By: **Senator Hayes**

Introduced and read first time: January 29, 2021

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

Reassigned: Education, Health, and Environmental Affairs, February 10, 2021

Committee Report: Favorable

Senate action: Adopted

Read second time: February 27, 2021

CHAPTER _____

1 AN ACT concerning

2 **Housing and Community Development – Neighborhood Revitalization – Passive**
3 **House Pilot Program**

4 FOR the purpose of establishing the Passive House Pilot Program in the Department of
5 Housing and Community Development; establishing the purposes of the Program;
6 requiring the Department to solicit proposals from nonprofit organizations that
7 feature certain elements; requiring the Department to give priority to proposals for
8 which a nonprofit organization partners with certain educational institutions;
9 establishing the Passive House Pilot Program Fund as a special, nonlapsing fund;
10 specifying the purpose of the Fund; requiring the Secretary of Housing and
11 Community Development or the Secretary's designee to administer the Fund;
12 requiring the State Treasurer to hold the Fund and the Comptroller to account for
13 the Fund; specifying the contents of the Fund; providing for the investment of money
14 in and expenditures from the Fund; requiring interest earnings of the Fund to be
15 credited to the Fund; providing that certain appropriations and expenditures are
16 subject to audit by the Office of Legislative Audits; exempting the Fund from a
17 certain provision of law requiring interest earnings on State money to accrue to the
18 General Fund of the State; requiring the Department to adopt certain regulations;
19 defining certain terms; providing for the termination of this Act; and generally
20 relating to the Passive House Pilot Program.

21 BY repealing and reenacting, without amendments,
22 Article – Housing and Community Development
23 Section 1–101(a), (d), and (j)

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 Annotated Code of Maryland
2 (2019 Replacement Volume and 2020 Supplement)

3 BY adding to
4 Article – Housing and Community Development
5 Section 6–801 through 6–805 to be under the new subtitle “Subtitle 8. Passive House
6 Pilot Program”
7 Annotated Code of Maryland
8 (2019 Replacement Volume and 2020 Supplement)

9 BY repealing and reenacting, without amendments,
10 Article – State Finance and Procurement
11 Section 6–226(a)(2)(i)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2020 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Finance and Procurement
16 Section 6–226(a)(2)(ii)122. and 123.
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2020 Supplement)

19 BY adding to
20 Article – State Finance and Procurement
21 Section 6–226(a)(2)(ii)124.
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2020 Supplement)

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

26 **Article – Housing and Community Development**

27 1–101.

28 (a) In this Division I of this article the following words have the meanings
29 indicated.

30 (d) “Department” means the Department of Housing and Community
31 Development.

32 (j) “Secretary” means the Secretary of Housing and Community Development.

33 **SUBTITLE 8. PASSIVE HOUSE PILOT PROGRAM.**

34 **6–801.**

1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (B) "FUND" MEANS THE PASSIVE HOUSE PILOT PROGRAM FUND.

4 (C) "PASSIVE HOUSE" MEANS A BUILDING THAT:

5 (1) IS CONSTRUCTED OR UPGRADED USING THE PASSIVE HOUSE
6 INSTITUTE METHODOLOGY; AND

7 (2) MEETS THE PASSIVE HOUSE STANDARD CRITERIA.

8 (D) "PASSIVE HOUSE STANDARD" MEANS AN INTERNATIONAL BUILDING
9 STANDARD DEVELOPED BY THE PASSIVE HOUSE INSTITUTE.

10 (E) "PROGRAM" MEANS THE PASSIVE HOUSE PILOT PROGRAM.

11 **6-802.**

12 (A) THERE IS A PASSIVE HOUSE PILOT PROGRAM IN THE DEPARTMENT.

13 (B) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

14 (C) THE PURPOSE OF THE PROGRAM IS TO ASSIST A NONPROFIT
15 ORGANIZATION IN PARTNERSHIP WITH NEIGHBORING HIGH SCHOOLS AND
16 INSTITUTES OF HIGHER EDUCATION TO PROVIDE STUDENTS WITH CAREER AND
17 TECHNICAL EDUCATIONAL EXPERIENCES THROUGH THE RENOVATION OF
18 RESIDENTIAL PROPERTIES TO BECOME PASSIVE HOUSES.

19 **6-803.**

20 (A) THE DEPARTMENT SHALL SOLICIT PROPOSALS FROM NONPROFIT
21 ORGANIZATIONS FOR THE PROGRAM THAT FEATURE:

22 (1) THE ACQUISITION OF ONE OR MORE PROPERTIES FOR
23 RENOVATION THAT ARE WITHIN CLOSE PROXIMITY OF A HIGH SCHOOL;

24 (2) RENOVATION OF THE ACQUIRED PROPERTY OR PROPERTIES BY:

25 (I) USING COMPONENTS CERTIFIED BY THE PASSIVE HOUSE
26 INSTITUTE; AND

27 (II) BRINGING THE PROPERTY OR PROPERTIES INTO
28 COMPLIANCE WITH THE CRITERIA FOR PASSIVE HOUSES AS ESTABLISHED BY THE
29 PASSIVE HOUSE INSTITUTE;

1 **(3) PROVIDING STUDENTS, THROUGH THE RENOVATION PROCESS,**
2 **CAREER AND TECHNICAL EDUCATIONAL EXPERIENCES; AND**

3 **(4) ENSURING THAT ANY RENOVATED PROPERTY IS UTILIZED TO**
4 **PROVIDE AFFORDABLE HOUSING IN THE NEIGHBORHOOD IN WHICH THE PROPERTY**
5 **IS LOCATED.**

6 **(B) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS FOR WHICH A**
7 **NONPROFIT ORGANIZATION PARTNERS WITH A HIGH SCHOOL AND INSTITUTIONS OF**
8 **HIGHER EDUCATION TO ACCOMPLISH THE PROPOSAL ELEMENTS REQUIRED UNDER**
9 **SUBSECTION (A) OF THIS SECTION.**

10 **6-804.**

11 **(A) THERE IS A PASSIVE HOUSE PILOT PROGRAM FUND IN THE**
12 **DEPARTMENT.**

13 **(B) THE PURPOSE OF THE FUND IS TO COVER THE FOLLOWING COSTS OF**
14 **THE PROGRAM:**

15 **(1) PROPERTY ACQUISITION COSTS;**

16 **(2) PROPERTY RENOVATION COSTS, INCLUDING:**

17 **(I) DEMOLITION OR DECONSTRUCTION COSTS;**

18 **(II) ARCHITECTURAL AND ENGINEERING DESIGN COSTS;**

19 **(III) BUILDING MATERIAL COSTS; AND**

20 **(IV) PASSIVE HOUSE CERTIFICATION COSTS; AND**

21 **(3) ADMINISTRATIVE COSTS.**

22 **(C) THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL ADMINISTER**
23 **THE FUND IN ACCORDANCE WITH THIS SUBTITLE AND ANY OTHER APPLICABLE LAW.**

24 **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
25 **SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**
26 **PROCUREMENT ARTICLE.**

27 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
28 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

1 (E) THE FUND CONSISTS OF:

2 (1) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;

3 (2) ANY INTEREST EARNINGS OF THE FUND; AND

4 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
5 THE BENEFIT OF THE PROGRAM.

6 (F) THE FUND MAY BE USED ONLY FOR THE PURPOSES DESCRIBED UNDER
7 SUBSECTION (B) OF THIS SECTION.

8 (G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
9 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

10 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED
11 TO THE FUND.

12 (H) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE
13 AUDITS AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

14 **6-805.**

15 THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS
16 SUBTITLE.

17 **Article – State Finance and Procurement**

18 **6-226.**

19 (a) (2) (i) Notwithstanding any other provision of law, and unless
20 inconsistent with a federal law, grant agreement, or other federal requirement or with the
21 terms of a gift or settlement agreement, net interest on all State money allocated by the
22 State Treasurer under this section to special funds or accounts, and otherwise entitled to
23 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
24 Fund of the State.

25 (ii) The provisions of subparagraph (i) of this paragraph do not apply
26 to the followings funds:

27 122. the Racing and Community Development Financing Fund;
28 [and]

29 123. the Racing and Community Development Facilities Fund;
30 AND

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124. THE PASSIVE HOUSE PILOT PROGRAM FUND.

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SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021. It shall remain effective for a period of 4 years and, at the end of September 30, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.