

SENATE BILL 803

C8

11r2664
CF HB 1144

By: **Senators Edwards and Corderman**

Introduced and read first time: February 9, 2021

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2021

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Western Maryland Economic Future Investment**
3 **Board and Fund – Establishment**

4 FOR the purpose of establishing the Western Maryland Economic Future Investment
5 Board; providing for the composition, chair, and staffing of the Board; prohibiting a
6 member of the Board from receiving certain compensation, but authorizing the
7 reimbursement of certain expenses; establishing the Western Maryland Economic
8 Future Investment Fund as a special, nonlapsing fund; specifying the purpose of the
9 Fund; requiring the Tri-County Council for Western Maryland to administer the
10 Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account
11 for the Fund; specifying the contents of the Fund; specifying the purpose for which
12 the Fund may be used; requiring the Governor, for certain fiscal years, to include in
13 the annual operating or capital budget bill an appropriation of at least a certain
14 amount to the Fund; stating the intent of the General Assembly regarding a certain
15 appropriation to the Fund in certain fiscal years; providing for the investment of
16 money in and expenditures from the Fund; requiring interest earnings of the Fund
17 to be credited to the Fund; exempting the Fund from a certain provision of law
18 requiring interest earnings on State money to accrue to the General Fund of the
19 State; authorizing certain member counties and certain other entities to submit
20 proposals for certain grant funding; establishing the qualifications necessary to
21 receive certain grant funding; requiring the Board to develop certain criteria to
22 review, evaluate, and rate certain proposals for grant funding; requiring the Board
23 to distribute certain grant funding based on certain criteria; requiring the Board to
24 monitor and track the progress of certain projects that have received certain grant
25 funding; authorizing the Board to reclaim certain grant funds under certain

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 circumstances; providing that certain grant funding is supplementary and may not
2 supplant certain other funds; requiring the Board to make a certain report on or
3 before a certain date each year; requiring the Board to adopt certain regulations;
4 defining certain terms; providing for the termination of this Act; and generally
5 relating to the establishment of the Western Maryland Economic Future Investment
6 Board and Fund.

7 BY repealing and reenacting, without amendments,
8 Article – Economic Development
9 Section 13–701 and 13–702(a)
10 Annotated Code of Maryland
11 (2018 Replacement Volume and 2020 Supplement)

12 BY adding to
13 Article – Economic Development
14 Section 13–736 through 13–741 to be under the new part “Part IV. Western
15 Maryland Economic Future Investment Program”
16 Annotated Code of Maryland
17 (2018 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – State Finance and Procurement
20 Section 6–226(a)(2)(i)
21 Annotated Code of Maryland
22 (2015 Replacement Volume and 2020 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – State Finance and Procurement
25 Section 6–226(a)(2)(ii)122. and 123.
26 Annotated Code of Maryland
27 (2015 Replacement Volume and 2020 Supplement)

28 BY adding to
29 Article – State Finance and Procurement
30 Section 6–226(a)(2)(ii)124.
31 Annotated Code of Maryland
32 (2015 Replacement Volume and 2020 Supplement)

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

35 **Article – Economic Development**

36 13–701.

37 (a) In this subtitle the following words have the meanings indicated.

1 (b) "Commissioners" means the Board of County Commissioners of Allegany
2 County, Garrett County, or Washington County, respectively.

3 (c) "Council" means the Tri-County Council for Western Maryland.

4 (d) "Executive Director" means the Executive Director of the Council.

5 (e) "Member county" means each county in the region that pays annual dues that
6 the Council sets.

7 (f) "Plan" means a regional plan that the Council prepares for the region.

8 (g) "Region" means Allegany, Garrett, and Washington counties.

9 13-702.

10 (a) There is a Tri-County Council for Western Maryland.

11 **13-734. RESERVED.**

12 **13-735. RESERVED.**

13 **PART IV. WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT PROGRAM.**

14 **13-736.**

15 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
16 INDICATED.

17 (B) "BOARD" MEANS THE WESTERN MARYLAND ECONOMIC FUTURE
18 INVESTMENT BOARD ESTABLISHED UNDER § 13-737 OF THIS SUBTITLE.

19 (C) "FUND" MEANS THE WESTERN MARYLAND ECONOMIC FUTURE
20 INVESTMENT FUND ESTABLISHED UNDER § 13-738 OF THIS SUBTITLE.

21 **13-737.**

22 (A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT
23 BOARD.

24 (B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

25 (1) ONE REPRESENTATIVE FROM THE DEPARTMENT OF COMMERCE,
26 APPOINTED BY THE SECRETARY OF COMMERCE;

1 **(2) ONE COMMISSIONER FROM EACH MEMBER COUNTY, APPOINTED**
2 **BY EACH MEMBER COUNTY'S RESPECTIVE COMMISSIONERS;**

3 **(3) ONE REPRESENTATIVE OF AN ECONOMIC DEVELOPMENT**
4 **ORGANIZATION IN EACH MEMBER COUNTY, APPOINTED BY EACH MEMBER COUNTY'S**
5 **RESPECTIVE COMMISSIONERS;**

6 **(4) ONE REPRESENTATIVE FROM THE CHAMBER OF COMMERCE FROM**
7 **EACH MEMBER COUNTY, APPOINTED BY EACH MEMBER COUNTY'S RESPECTIVE**
8 **CHAMBER OF COMMERCE; AND**

9 **(5) ONE REPRESENTATIVE FROM THE MARYLAND MUNICIPAL**
10 **LEAGUE, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE LEAGUE.**

11 **(C) THE REPRESENTATIVE FROM THE DEPARTMENT OF COMMERCE SHALL**
12 **CHAIR THE BOARD.**

13 **(D) THE COUNCIL SHALL PROVIDE STAFF FOR THE BOARD.**

14 **(E) A MEMBER OF THE BOARD:**

15 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;**
16 **BUT**

17 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
18 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

19 **13-738.**

20 **(A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT**
21 **FUND.**

22 **(B) THE PURPOSE OF THE FUND IS TO PROVIDE GRANT FUNDING TO**
23 **CAPITAL INFRASTRUCTURE PROJECTS AND BUSINESS DEVELOPMENT PROJECTS**
24 **THAT IMPROVE THE ECONOMIC CONDITIONS IN THE REGION.**

25 **(C) THE COUNCIL SHALL ADMINISTER THE FUND.**

26 **(D) (1) THE FUND CONSISTS OF:**

27 **(I) APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET;**

28 **(II) INTEREST OR OTHER INCOME EARNED ON THE INVESTMENT**
29 **OF MONEY IN THE FUND; AND**

1 (III) ANY OTHER MONEY ACCEPTED FOR THE BENEFIT OF THE
2 FUND.

3 (2) (I) FOR FISCAL YEARS 2023 THROUGH 2027, THE GOVERNOR
4 SHALL INCLUDE IN THE ANNUAL OPERATING OR CAPITAL BUDGET BILL AN
5 APPROPRIATION OF ~~\$20,000,000~~ AT LEAST \$7,500,000 TO THE FUND.

6 (II) FOR FISCAL YEARS 2023 THROUGH 2027, IT IS THE INTENT
7 OF THE GENERAL ASSEMBLY THAT THE GOVERNOR INCLUDE IN THE ANNUAL
8 OPERATING OR CAPITAL BUDGET BILL AN APPROPRIATION OF \$15,000,000 TO THE
9 FUND.

10 (E) MONEY IN THE FUND MAY BE USED ONLY TO:

11 (1) AWARD GRANTS TO CAPITAL INFRASTRUCTURE PROJECTS AND
12 BUSINESS DEVELOPMENT PROJECTS TO IMPROVE THE ECONOMIC CONDITIONS IN
13 THE REGION; AND

14 (2) PAY THE COSTS NECESSARY TO ADMINISTER THE FUND.

15 (F) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
16 SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND
17 PROCUREMENT ARTICLE.

18 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
19 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

20 (3) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND
21 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

22 (4) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED
23 TO THE FUND.

24 13-739.

25 (A) A MEMBER COUNTY OR LOCAL ENTITY WITHIN A MEMBER COUNTY MAY
26 SUBMIT A PROPOSAL FOR GRANT FUNDING UNDER THIS PART.

27 (B) TO QUALIFY FOR THE GRANT FUNDING IN SUBSECTION (A) OF THIS
28 SECTION, A PROJECT SHALL BE:

29 (1) A CAPITAL INFRASTRUCTURE PROJECT THAT:

1 **(I) IS LINKED TO ECONOMIC DEVELOPMENT IN THE REGION, AS**
2 **APPROVED BY THE BOARD; AND**

3 **(II) RECEIVES 20% MATCHING FUNDS FROM THE MEMBER**
4 **COUNTY WHERE THE PROJECT IS LOCATED, ANOTHER LOCAL ENTITY, A PRIVATE**
5 **BUSINESS, OR A COMBINATION THEREOF;**

6 **(2) A BUSINESS DEVELOPMENT PROJECT THAT:**

7 **(I) ENCOURAGES AND PROMOTES DOWNTOWN NEIGHBORHOOD**
8 **REVITALIZATION, SMALL BUSINESS TOURISM, OR OTHER AREAS AS APPROVED BY**
9 **THE BOARD; AND**

10 **(II) RECEIVES 10% MATCHING FUNDS FROM THE MEMBER**
11 **COUNTY WHERE THE PROJECT IS LOCATED, ANOTHER LOCAL ENTITY, A PRIVATE**
12 **BUSINESS, OR A COMBINATION THEREOF; OR**

13 **(3) ANY OTHER PROJECT THAT THE BOARD DETERMINES IS**
14 **APPROPRIATE TO PROMOTE ECONOMIC DEVELOPMENT IN THE REGION.**

15 **(C) (1) (I) THE BOARD SHALL DEVELOP CRITERIA TO REVIEW,**
16 **EVALUATE, AND RATE PROJECT PROPOSALS FOR FUNDING UNDER THIS PART.**

17 **(II) THE CRITERIA IN SUBPARAGRAPH (I) OF THIS PARAGRAPH**
18 **SHALL ENSURE THAT THE PROJECT:**

- 19 1. **CREATES OR RETAINS JOBS;**
- 20 2. **CREATES OR RETAINS BUSINESSES;**
- 21 3. **INCREASES WAGES; OR**
- 22 4. **CREATES NEW STATE OR LOCAL TAX REVENUE.**

23 **(2) THE BOARD SHALL DISTRIBUTE GRANTS TO PROJECTS BASED ON**
24 **THE CRITERIA DEVELOPED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS**
25 **SUBSECTION.**

26 **(D) (1) THE BOARD SHALL MONITOR AND TRACK THE PROGRESS OF**
27 **EACH PROJECT THAT RECEIVES GRANT FUNDING UNDER THIS PART.**

28 **(2) IF THE BOARD DETERMINES THAT SUFFICIENT PROGRESS IS NOT**
29 **BEING MADE TOWARD ACHIEVING THE REQUIREMENTS OF THIS SECTION, THE**
30 **BOARD MAY RECLAIM THE AWARDED GRANT FUNDS.**

1 (E) THE GRANT FUNDING PROVIDED IN THIS SECTION SHALL BE USED TO
2 SUPPLEMENT, AND NOT SUPPLANT, ANY FUNDS THAT WOULD OTHERWISE BE
3 PROVIDED TO THE BOARD OR THE MEMBER COUNTIES.

4 13-740.

5 (A) ON OR BEFORE DECEMBER 31 EACH YEAR, THE BOARD SHALL REPORT
6 TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE
7 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE IMPLEMENTATION OF
8 THIS PART.

9 (B) THE REPORT REQUIRED IN SUBSECTION (A) OF THIS SECTION SHALL
10 INCLUDE, DISAGGREGATED BY MEMBER COUNTY:

11 (1) THE NUMBER OF NEW PROJECTS FUNDED DURING THE PREVIOUS
12 YEAR;

13 (2) THE NUMBER OF PROJECTS THAT WERE COMPLETED DURING THE
14 PREVIOUS YEAR;

15 (3) THE NUMBER OF ONGOING PROJECTS THAT WERE NOT
16 COMPLETED DURING THE PREVIOUS YEAR;

17 (4) THE AMOUNT OF FUNDING RECEIVED BY EACH PROJECT;

18 (5) THE CURRENT STATUS OF EACH ONGOING PROJECT; AND

19 (6) ANY OTHER RELEVANT ECONOMIC METRICS DETERMINED BY THE
20 BOARD.

21 13-741.

22 THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS PART.

23 Article – State Finance and Procurement

24 6-226.

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

1 (ii) The provisions of subparagraph (i) of this paragraph do not apply
2 to the following funds:

3 122. the Racing and Community Development Financing Fund;

4 [and]

5 123. the Racing and Community Development Facilities Fund;

6 AND

7 124. THE WESTERN MARYLAND ECONOMIC FUTURE
8 INVESTMENT FUND.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2021. It shall remain effective for a period of 5 years and, at the end of September
11 30, 2026, this Act, with no further action required by the General Assembly, shall be
12 abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.