

HOUSE BILL 12

C8, R2

(3lr0380)

ENROLLED BILL

— *Environment and Transportation and Ways and Means/Budget and Taxation* —

Introduced by **Delegate J. Lewis**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Equitable and Inclusive Transit-Oriented Development Enhancement Act**

3 FOR the purpose of repealing the authority of the Secretary of Transportation to designate
4 a transit-oriented development; establishing the Transit-Oriented Development
5 Capital Grant and Revolving Loan Fund as a special, nonlapsing fund; requiring
6 interest earnings of the Fund to be credited to the Fund; authorizing the Department
7 of Transportation to use the Fund to provide financial assistance to local jurisdictions
8 to be used for certain purposes within a transit-oriented development; and generally
9 relating to transit-oriented development in the State.

10 BY repealing and reenacting, without amendments,
11 Article – Transportation
12 Section 7-101(a), ~~(l), (m), and (o)~~
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2022 Supplement)

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.

Italics indicate opposite chamber/conference committee amendments.



1 ~~BY repealing and reenacting, with amendments,~~
 2 ~~Article – Transportation~~
 3 ~~Section 7–102(a)~~
 4 ~~Annotated Code of Maryland~~
 5 ~~(2020 Replacement Volume and 2022 Supplement)~~

6 BY adding to
 7 Article – Transportation
 8 Section 7–101(l) and 7–103; and 7–1201 through 7–1205 to be under the new subtitle
 9 “Subtitle 12. Transit–Oriented Development Capital Grant and Revolving
 10 Loan Fund”
 11 Annotated Code of Maryland
 12 (2020 Replacement Volume and 2022 Supplement)

13 BY repealing and reenacting, with amendments,
 14 Article – Transportation
 15 Section 7–101(l) through (p) and 7–102(a)
 16 Annotated Code of Maryland
 17 (2020 Replacement Volume and 2022 Supplement)

18 BY repealing and reenacting, without amendments,
 19 Article – State Finance and Procurement
 20 Section 6–226(a)(2)(i) and 10–306(a)
 21 Annotated Code of Maryland
 22 (2021 Replacement Volume and 2022 Supplement)

23 BY repealing and reenacting, with amendments,
 24 Article – State Finance and Procurement
 25 Section 6–226(a)(2)(ii)170. and 171. and 10–306(c)
 26 Annotated Code of Maryland
 27 (2021 Replacement Volume and 2022 Supplement)

28 BY adding to
 29 Article – State Finance and Procurement
 30 Section 6–226(a)(2)(ii)172.
 31 Annotated Code of Maryland
 32 (2021 Replacement Volume and 2022 Supplement)

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

35 **Article – Transportation**

36 7–101.

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

1 (L) (1) “TRANSIT CORRIDOR” MEANS A GEOGRAPHICALLY BOUND SET OF
 2 TWO OR MORE CONTIGUOUS SUBWAY, LIGHT RAIL, BUS RAPID TRANSIT, OR BUS
 3 TRANSIT STATIONS.

4 (2) “TRANSIT CORRIDOR” INCLUDES A GEOGRAPHICALLY BOUND SET
 5 OF TWO OR MORE CONTIGUOUS BUS TRANSIT STATIONS THAT HAVE FIXED-ROUTE
 6 BUS SERVICE THAT OPERATES ON A ROADWAY DEDICATED TO BUSES.

7 ~~(M)~~ (M) “Transit facility” includes any one or more or combination of tracks,
 8 rights-of-way, bridges, tunnels, subways, rolling stock, stations, terminals, ports, parking
 9 areas, equipment, fixtures, buildings, structures, other real or personal property, and
 10 services incidental to or useful or designed for use in connection with the rendering of
 11 transit service by any means, including rail, bus, motor vehicle, or other mode of
 12 transportation, but does not include any railroad facility.

13 ~~(N)~~ (N) “Transit-oriented development” means a mix of private or public
 14 parking facilities, commercial and residential structures, and uses, improvements, and
 15 facilities customarily appurtenant to such facilities and uses, that:

16 (1) Is part of a deliberate development plan or strategy involving:

17 (i) Property that is adjacent to the passenger boarding and alighting
 18 location of a planned or existing transit station; ~~or~~

19 (ii) Property, any part of which is located within one-half mile of the
 20 passenger boarding and alighting location of a planned or existing transit station; OR

21 (III) PROPERTY THAT IS ADJACENT TO A PLANNED OR EXISTING
 22 TRANSIT CORRIDOR;

23 (2) Is planned to maximize the use of transit, walking, and bicycling by
 24 residents and employees; and

25 (3) Is designated as a transit-oriented development by:

26 (i) ~~The Secretary, after considering a recommendation of the Smart~~
 27 ~~Growth Subcabinet established under § 9-1406 of the State Government Article; and~~

28 (ii) The local government or multicounty agency with land use and
 29 planning responsibility for the relevant area APPLYING FOR DESIGNATION.

30 ~~(O)~~ (O) (1) “Transit service” means the transportation of persons and their
 31 packages and baggage and of newspapers, express, and mail in regular route, special, or
 32 charter service by means of transit facilities between points within the District.

1 (2) “Transit service” does not include any:

2 (i) Vanpool operation; or

3 (ii) Railroad service.

4 ~~(P)~~ (P) (1) “Transit station” means any facility, the primary function of
5 which relates to the boarding and alighting of passengers from transit vehicles.

6 (2) “Transit station” includes platforms, shelters, passenger waiting
7 facilities, parking areas, access roadways, and other real property used to facilitate
8 passenger access to transit service or railroad service.

9 ~~(p)~~ (Q) “Transit vehicle” means a mobile device used in rendering transit
10 service.

11 7–102.

12 (a) (1) (I) The development of improved and expanded railroad facilities,
13 railroad services, transit facilities, and transit services operating as a unified and
14 coordinated regional transportation system, and the realization of transit-oriented
15 development throughout the State, represent transportation purposes that are essential for
16 the satisfactory movement of people and goods, the alleviation of present and future traffic
17 congestion, the economic welfare and vitality, and the development of the metropolitan area
18 of Baltimore and other political subdivisions of the State.

19 (II) **IN ORDER TO REALIZE TRANSIT-ORIENTED DEVELOPMENT**
20 **AS A TRANSPORTATION PURPOSE, IT IS THE INTENT OF THE GENERAL ASSEMBLY**
21 **THAT THE DEPARTMENT MAKE ALL REASONABLE ATTEMPTS TO INCLUDE**
22 **TRANSIT-ORIENTED DEVELOPMENT AS PART OF THE PREFERRED PLAN FOR**
23 **DEVELOPMENT IN AREAS SERVED BY TRANSIT SERVICES BY PROVIDING**
24 **PREFERENCE TO PROPOSALS THAT FURTHER THIS PURPOSE WHEN:**

25 1. **DISTRIBUTING FUNDS FROM:**

26 A. **STATE PROGRAMS OFFERING GRANTS AND LOANS**
27 **FOR DEVELOPMENT AND INFRASTRUCTURE INVESTMENT, INCLUDING THE**
28 **COMPLETE STREETS PROGRAM ESTABLISHED UNDER TITLE 8, SUBTITLE 9 OF THIS**
29 **ARTICLE;**

30 B. ~~FEDERAL COMMUNITY DEVELOPMENT BLOCK~~
31 ~~GRANTS~~ **ELIGIBLE FEDERAL FUNDING; AND**

32 C. **THE PROCEEDS OF GENERAL OBLIGATION BOND AND**
33 **GRANT ANTICIPATION REVENUE VEHICLE ISSUANCES; AND**

1 **(3) TRANSIT STATION UTILIZATION RATES FOR THE**
2 **TRANSIT-ORIENTED DEVELOPMENT.**

3 **(C) THE DEPARTMENT SHALL CONSIDER THE FINDINGS OF THE REPORT**
4 **REQUIRED UNDER THIS SECTION FOR PURPOSES OF UPDATING THE SCORING**
5 **STANDARDS FOR APPLICATIONS FOR FINANCIAL ASSISTANCE FROM THE**
6 **TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND REVOLVING LOAN**
7 **FUND ESTABLISHED UNDER SUBTITLE 12 OF THIS TITLE.**

8 **SUBTITLE 12. TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND**
9 **REVOLVING LOAN FUND.**

10 **7-1201.**

11 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
12 **INDICATED.**

13 **(B) “FINANCIAL ASSISTANCE” MEANS A GRANT OR LOAN FROM THE FUND.**

14 **(C) “FUND” MEANS THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL**
15 **GRANT AND REVOLVING LOAN FUND.**

16 **(D) “GAP FUNDING” MEANS FUNDING PROVIDED TO COMPENSATE FOR A**
17 **SHORTFALL BETWEEN THE EXPECTED DEVELOPMENT COSTS OF A PROJECT AND**
18 **THE AVAILABLE FUNDS FOR THE PROJECT.**

19 **(E) “LOCAL JURISDICTION” MEANS A COUNTY OR A MUNICIPAL**
20 **CORPORATION.**

21 **(F) “MUNICIPAL CORPORATION” MEANS A MUNICIPALITY AS DEFINED IN §**
22 **1-101 OF THE LOCAL GOVERNMENT ARTICLE.**

23 **7-1202.**

24 **(A) THERE IS A TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND**
25 **REVOLVING LOAN FUND.**

26 **(B) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO**
27 **§ 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

28 **7-1203.**

1 (A) THE PURPOSE OF THE FUND IS TO PROMOTE THE EQUITABLE AND
2 INCLUSIVE DEVELOPMENT OF TRANSIT-ORIENTED DEVELOPMENTS THROUGHOUT
3 THE STATE.

4 (B) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE
5 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

6 (C) (1) THE FUND CONSISTS OF:

7 (I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE
8 FUND;

9 (II) MONEY MADE AVAILABLE FOR QUALIFYING USES BY THE
10 FUND FROM OTHER GOVERNMENTAL SOURCES, INCLUDING ~~COMMUNITY~~
11 ~~DEVELOPMENT BLOCK GRANTS~~ ELIGIBLE FEDERAL FUNDING AND THE
12 TRANSPORTATION TRUST FUND;

13 (III) GROUND RENTS OR LAND SALE PROCEEDS IN ACCORDANCE
14 WITH § 10-306(C)(2) OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

15 (IV) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS
16 MADE UNDER THIS TITLE;

17 (V) INVESTMENT EARNINGS OF THE FUND; AND

18 (VI) ANY OTHER MONEY FROM ANY OTHER SOURCE, PUBLIC OR
19 PRIVATE, ACCEPTED FOR THE BENEFIT OF THE FUND.

20 (2) CONTRIBUTIONS TO THE FUND UNDER PARAGRAPH (1)(III) OF
21 THIS SUBSECTION SHALL:

22 (I) BE SEPARATELY ACCOUNTED FOR IN THE FUND; AND

23 (II) BE USED ONLY FOR THE BENEFIT OF TRANSIT-ORIENTED
24 DEVELOPMENTS IN THE SAME COUNTY WHERE THE REAL PROPERTY SUBJECT TO
25 THE GROUND RENT OR LAND SALE IS LOCATED.

26 (D) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE
27 ANNUAL BUDGET BILL AN APPROPRIATION SUFFICIENT TO ENSURE A FUND
28 BALANCE OF AT LEAST ~~\$10,000,000~~ \$5,000,000 AT THE START OF THE FISCAL YEAR.

29 7-1204.

1 (A) (1) THE FUND MAY BE USED BY THE DEPARTMENT TO PROVIDE
2 FINANCIAL ASSISTANCE TO LOCAL JURISDICTIONS FOR:

3 (I) DESIGN PLANS FOR A TRANSIT-ORIENTED DEVELOPMENT,
4 PROVIDED THAT THE TRANSIT-ORIENTED DEVELOPMENT WILL BE DESIGNED TO
5 MEET EQUITY GOALS ESTABLISHED BY THE DEPARTMENT;

6 (II) PUBLIC INFRASTRUCTURE IMPROVEMENTS WITHIN A
7 TRANSIT-ORIENTED DEVELOPMENT; OR

8 (III) GAP FUNDING FOR PUBLIC OR PRIVATE DEVELOPMENT
9 WITHIN A TRANSIT-ORIENTED DEVELOPMENT.

10 (2) A PRIVATE ENTITY, INCLUDING A NONPROFIT ENTITY,
11 PARTICIPATING IN THE DEVELOPMENT OF A TRANSIT-ORIENTED DEVELOPMENT
12 MAY PARTNER WITH A LOCAL JURISDICTION TO SUBMIT AN APPLICATION FOR
13 FINANCIAL ASSISTANCE UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION.

14 (B) (1) THE SMART GROWTH SUBCABINET ESTABLISHED UNDER §
15 9-1406 OF THE STATE GOVERNMENT ARTICLE SHALL ESTABLISH ELIGIBILITY
16 REQUIREMENTS AND OBJECTIVE SCORING STANDARDS FOR THE REVIEW OF
17 APPLICATIONS FOR FINANCIAL ASSISTANCE.

18 (2) THE SMART GROWTH SUBCABINET ESTABLISHED UNDER §
19 9-1406 OF THE STATE GOVERNMENT ARTICLE MAY ESTABLISH:

20 (I) DIFFERENT ELIGIBILITY REQUIREMENTS AND OBJECTIVE
21 SCORING STANDARDS FOR DIFFERENT TYPES OF FINANCIAL ASSISTANCE; AND

22 (II) SCORING PREFERENCES FOR APPLICATIONS THAT
23 DEMONSTRATE THAT THE PROPOSED PROJECT WILL:

24 1. ENHANCE ACCESS TO TRANSIT FOR LOW-INCOME
25 AND MINORITY RESIDENTS OF THE LOCAL JURISDICTION;

26 2. ENHANCE ACCESS TO TRANSIT IN AREAS WITH
27 AFFORDABLE HOUSING AND A DIVERSITY OF JOB AND EDUCATIONAL
28 OPPORTUNITIES; OR

29 3. ENCOURAGE DEVELOPMENT AROUND
30 UNDERDEVELOPED AND UNDERUTILIZED TRANSIT STATIONS IN
31 TRANSIT-ORIENTED DEVELOPMENTS.

32 ~~(B)~~ (C) ~~(1)~~ THE DEPARTMENT SHALL:

~~(I) ESTABLISH ELIGIBILITY REQUIREMENTS AND SCORING STANDARDS FOR THE REVIEW OF APPLICATIONS FOR FINANCIAL ASSISTANCE; AND~~

~~(H) (1) PUBLISH THE ELIGIBILITY REQUIREMENTS AND SCORING STANDARDS ON THE DEPARTMENT’S WEBSITE; AND~~

(2) IN COLLABORATION WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, SUPPORT RECIPIENTS OF AWARDS FROM THE FUND BY SUPPORTING ANY STUDIES, PLANS, AND CODE CHANGES WITH TECHNICAL SERVICES.

~~(2) THE DEPARTMENT MAY ESTABLISH:~~

~~(I) DIFFERENT ELIGIBILITY REQUIREMENTS AND SCORING STANDARDS FOR DIFFERENT TYPES OF FINANCIAL ASSISTANCE; AND~~

~~(II) SCORING PREFERENCES FOR APPLICATIONS THAT DEMONSTRATE THAT THE PROPOSED PROJECT WILL:~~

~~1. ENHANCE ACCESS TO TRANSIT FOR LOW INCOME AND MINORITY RESIDENTS OF THE LOCAL JURISDICTION;~~

~~2. ENHANCE ACCESS TO TRANSIT IN AREAS WITH AFFORDABLE HOUSING AND A DIVERSITY OF JOB AND EDUCATIONAL OPPORTUNITIES; OR~~

~~3. ENCOURAGE DEVELOPMENT AROUND UNDERDEVELOPED AND UNDERUTILIZED TRANSIT STATIONS IN TRANSIT-ORIENTED DEVELOPMENTS.~~

~~(C) (D) AN APPLICATION FOR FINANCIAL ASSISTANCE SHALL INCLUDE:~~

~~(1) COMMITMENTS FROM THE LOCAL JURISDICTION TO:~~

~~(I) ESTABLISH TRANSIT-SUPPORTIVE LAND USE DESIGNATIONS FOR REAL PROPERTY WITHIN A TRANSIT-ORIENTED DEVELOPMENT; AND~~

~~(II) IMPLEMENT, WHERE PRACTICABLE, IMPROVEMENTS TO THE TRANSIT-ORIENTED DEVELOPMENT THAT PROMOTE THE COMPLETE STREETS POLICY ADOPTED IN ACCORDANCE WITH § 2-112 OF THIS ARTICLE;~~

1 (c) (1) Except as provided in paragraphs (2) and (3) of this subsection, if cash
2 is received as consideration for the disposition of a capital asset of the State or any unit of
3 the State government, the cash shall be applied to the State Annuity Bond Fund Account
4 for the payment of the principal of and interest on the bonded indebtedness of the State.

5 (2) If the capital asset is real property that is being leased or sold to a
6 private party for the purpose of realizing a transit-oriented development as defined under
7 § 7-101 of the Transportation Article, at the discretion of the State agency that is disposing
8 of the property, all or a portion of the cash proceeds resulting from the transaction shall be
9 deposited in:

10 (I) the Baltimore City Community Enhancement Transit-Oriented
11 Development Fund established under Title 15 of the Economic Development Article for the
12 purposes of that Fund; OR

13 (II) **THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT**
14 **AND REVOLVING LOAN FUND ESTABLISHED UNDER TITLE 7 OF THE**
15 **TRANSPORTATION ARTICLE FOR THE PURPOSES OF THAT FUND.**

16 (3) (i) If cash is received as consideration for the disposition of a capital
17 asset, and if the capital asset was originally purchased with special funds, the cash shall
18 be applied to the special fund.

19 (ii) Notwithstanding subparagraph (i) of this paragraph, cash
20 received as consideration for the disposition of helicopters, auxiliary helicopter equipment,
21 ground support equipment, or other capital equipment related to helicopters shall be
22 applied to the State Annuity Bond Fund Account for the payment of the principal of and
23 interest on the bonded indebtedness of the State.

24 (4) If cash is received as consideration for the disposition of any real or
25 personal property of the State or any unit of the State government, other than a capital
26 asset, the cash shall be accounted for and paid into the State Treasury.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2023.