

HOUSE BILL 12

C8, R2

HB 710/22 – ENT & W&M

(PRE-FILED)

3lr0380

CF 3lr0585

By: **Delegate J. Lewis**

Requested: September 9, 2022

Introduced and read first time: January 11, 2023

Assigned to: Environment and Transportation and Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

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

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

14 BY repealing and reenacting, with amendments,
15 Article – Transportation
16 Section 7-102(a)
17 Annotated Code of Maryland
18 (2020 Replacement Volume and 2022 Supplement)

19 BY adding to
20 Article – Transportation
21 Section 7-103; and 7-1201 through 7-1205 to be under the new subtitle “Subtitle 12.
22 Transit-Oriented Development Capital Grant and Revolving Loan Fund”
23 Annotated Code of Maryland
24 (2020 Replacement Volume and 2022 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–226(a)(2)(i) and 10–306(a)
2 Annotated Code of Maryland
3 (2021 Replacement Volume and 2022 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)170. and 171. and 10–306(c)
7 Annotated Code of Maryland
8 (2021 Replacement Volume and 2022 Supplement)

9 BY adding to
10 Article – State Finance and Procurement
11 Section 6–226(a)(2)(ii)172.
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2022 Supplement)

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

16 **Article – Transportation**

17 7–101.

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

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

25 (m) “Transit-oriented development” means a mix of private or public parking
26 facilities, commercial and residential structures, and uses, improvements, and facilities
27 customarily appurtenant to such facilities and uses, that:

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

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

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

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

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

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

4 (ii) The local government or multicounty agency with land use and
5 planning responsibility for the relevant area.

6 (o) (1) "Transit station" means any facility, the primary function of which
7 relates to the boarding and alighting of passengers from transit vehicles.

8 (2) "Transit station" includes platforms, shelters, passenger waiting
9 facilities, parking areas, access roadways, and other real property used to facilitate
10 passenger access to transit service or railroad 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;**

28 **B. FEDERAL COMMUNITY DEVELOPMENT BLOCK**
29 **GRANTS; AND**

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

32 **2. AWARDING STATE TAX CREDITS.**

1 (2) The establishment of the realization of transit-oriented development as
2 a transportation purpose under paragraph (1) of this subsection may not be construed to:

3 (i) Limit the authority of local governments to govern land use as
4 established under any other law; or

5 (ii) Grant the State or a department of the State additional authority
6 to supersede local land use and planning authority.

7 **7-103.**

8 (A) ON OR BEFORE NOVEMBER 30, 2024, AND ON OR BEFORE NOVEMBER
9 30 EACH YEAR THEREAFTER, THE SECRETARY SHALL SUBMIT A REPORT TO THE
10 GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
11 ARTICLE ON EFFORTS TO INCREASE TRANSIT-ORIENTED DEVELOPMENT
12 THROUGHOUT THE STATE.

13 (B) THE REPORT SHALL INCLUDE AN ANALYSIS OF THE FOLLOWING ISSUES
14 FOR EACH TRANSIT-ORIENTED DEVELOPMENT IN THE STATE:

15 (1) THE DEMOGRAPHIC AND SOCIOECONOMIC INDICATORS PRESENT
16 IN THE TRANSIT-ORIENTED DEVELOPMENT AND THE SURROUNDING AREAS;

17 (2) DEVELOPMENT ACTIVITY OCCURRING IN THE
18 TRANSIT-ORIENTED DEVELOPMENT DURING THE PERIOD THAT THE REPORT
19 COVERS; AND

20 (3) TRANSIT STATION UTILIZATION RATES FOR THE
21 TRANSIT-ORIENTED DEVELOPMENT.

22 (C) THE DEPARTMENT SHALL CONSIDER THE FINDINGS OF THE REPORT
23 REQUIRED UNDER THIS SECTION FOR PURPOSES OF UPDATING THE SCORING
24 STANDARDS FOR APPLICATIONS FOR FINANCIAL ASSISTANCE FROM THE
25 TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND REVOLVING LOAN
26 FUND ESTABLISHED UNDER SUBTITLE 12 OF THIS TITLE.

27 **SUBTITLE 12. TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND**
28 **REVOLVING LOAN FUND.**

29 **7-1201.**

30 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
31 INDICATED.

1 (B) "FINANCIAL ASSISTANCE" MEANS A GRANT OR LOAN FROM THE FUND.

2 (C) "FUND" MEANS THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL
3 GRANT AND REVOLVING LOAN FUND.

4 (D) "GAP FUNDING" MEANS FUNDING PROVIDED TO COMPENSATE FOR A
5 SHORTFALL BETWEEN THE EXPECTED DEVELOPMENT COSTS OF A PROJECT AND
6 THE AVAILABLE FUNDS FOR THE PROJECT.

7 (E) "LOCAL JURISDICTION" MEANS A COUNTY OR A MUNICIPAL
8 CORPORATION.

9 (F) "MUNICIPAL CORPORATION" MEANS A MUNICIPALITY AS DEFINED IN §
10 1-101 OF THE LOCAL GOVERNMENT ARTICLE.

11 7-1202.

12 (A) THERE IS A TRANSIT-ORIENTED DEVELOPMENT CAPITAL GRANT AND
13 REVOLVING LOAN FUND.

14 (B) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO
15 § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

16 7-1203.

17 (A) THE PURPOSE OF THE FUND IS TO PROMOTE THE EQUITABLE AND
18 INCLUSIVE DEVELOPMENT OF TRANSIT-ORIENTED DEVELOPMENTS THROUGHOUT
19 THE STATE.

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

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

23 (I) MONEY APPROPRIATED IN THE STATE BUDGET TO THE
24 FUND;

25 (II) MONEY MADE AVAILABLE FOR QUALIFYING USES BY THE
26 FUND FROM OTHER GOVERNMENTAL SOURCES, INCLUDING COMMUNITY
27 DEVELOPMENT BLOCK GRANTS AND THE TRANSPORTATION TRUST FUND;

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

1 (IV) PAYMENTS OF PRINCIPAL OF AND INTEREST ON LOANS
2 MADE UNDER THIS TITLE;

3 (V) INVESTMENT EARNINGS OF THE FUND; AND

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

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

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

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

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

15 7-1204.

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

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

21 (II) PUBLIC INFRASTRUCTURE IMPROVEMENTS WITHIN A
22 TRANSIT-ORIENTED DEVELOPMENT; OR

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

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

29 (B) (1) THE DEPARTMENT SHALL:

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

3 (II) PUBLISH THE ELIGIBILITY REQUIREMENTS AND SCORING
4 STANDARDS ON THE DEPARTMENT'S WEBSITE.

5 (2) THE DEPARTMENT MAY ESTABLISH:

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

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

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

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

15 3. ENCOURAGE DEVELOPMENT AROUND
16 UNDERDEVELOPED AND UNDERUTILIZED TRANSIT STATIONS IN
17 TRANSIT-ORIENTED DEVELOPMENTS.

18 (C) AN APPLICATION FOR FINANCIAL ASSISTANCE SHALL INCLUDE:

19 (1) COMMITMENTS FROM THE LOCAL JURISDICTION TO:

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

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

26 (2) IF A PRIVATE ENTITY PARTNERS WITH A LOCAL JURISDICTION TO
27 SUBMIT AN APPLICATION FOR FINANCIAL ASSISTANCE, COMMITMENTS FROM KEY
28 STAKEHOLDERS TO DEVELOP THE TRANSIT-ORIENTED DEVELOPMENT; AND

29 (3) IF THE APPLICATION IS FOR A GRANT TO SUPPORT THE DESIGN

1 OR CONSTRUCTION OF A PROPOSED ENHANCEMENT TO A TRANSIT-ORIENTED
 2 DEVELOPMENT, CREDIBLE FUNDING STRATEGIES THAT DEMONSTRATE FULL
 3 FUNDING OF THE DESIGN OR CONSTRUCTION COSTS FOR THE PROPOSED
 4 ENHANCEMENT ON AWARD OF THE GRANT.

5 **7-1205.**

6 (A) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN
 7 THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

8 (B) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE
 9 FUND.

10 **Article – State Finance and Procurement**

11 **6-226.**

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

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

20 170. the Cannabis Public Health Fund; [and]

21 171. the Community Reinvestment and Repair Fund; AND

22 **172. THE TRANSIT-ORIENTED DEVELOPMENT CAPITAL**
 23 **GRANT AND REVOLVING LOAN FUND.**

24 **10-306.**

25 (a) In this section, “capital asset” means an asset of a substantial permanent
 26 nature.

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

31 (2) If the capital asset is real property that is being leased or sold to a
 32 private party for the purpose of realizing a transit-oriented development as defined under

1 § 7–101 of the Transportation Article, at the discretion of the State agency that is disposing
2 of the property, all or a portion of the cash proceeds resulting from the transaction shall be
3 deposited in:

4 (I) the Baltimore City Community Enhancement Transit–Oriented
5 Development Fund established under Title 15 of the Economic Development Article for the
6 purposes of that Fund; OR

7 (II) **THE TRANSIT–ORIENTED DEVELOPMENT CAPITAL GRANT**
8 **AND REVOLVING LOAN FUND ESTABLISHED UNDER TITLE 7 OF THE**
9 **TRANSPORTATION ARTICLE FOR THE PURPOSES OF THAT FUND.**

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

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

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2023.